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OWN**
*Sales
Manager*



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By keeping this record accurately, studying it, comparing current with previous records, constantly working for improvement, you correct defects that hurt your earning power. You establish good sales habits that put many extra dollars in your pocket during the course of a year.

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There is no obligation, of course, in writing for details on PRACTICAL PROSPECTING, that complete copyrighted agency sales plan. Specify that you want sales record cards, and mention any other services or facts regarding the Company on which you would like additional information. Please address the Company on your own business letterhead—Insurance Exchange Bldg., 175 W. Jackson Blvd., Chicago.

Established 1865
MILLERS NATIONAL
Insurance Company • CHICAGO
Service Headquarters for Alert Agents

THURSDAY, OCTOBER 27, 1938

CHECK



How many times
have you felt checked in
your efforts to try and
expand your busi-
ness? How often
have you wished
you represented a
group like

CRUM & FORSTER MANAGERS

As the King in
chess has eight
possible moves so
does every Crum
and Forster agent
when he utilizes the
facilities of the eight
companies compris-
ing this group. Our
competent force of
field representatives
our numerous service
offices; our companies
with an aggregate of 700
insurance years of experi-
ence are always at your
disposal. By availing
yourself of
these services you
can check
that checked feel-
ing. The next move is up to you
We are confident it will be a move
you will never regret. Why not phone
or write our nearest branch office today?

UNITED STATES FIRE INSURANCE COMPANY ORGANIZED 1824 THE ALLEMANNIA FIRE INSURANCE COMPANY OF PITTSBURGH ORGANIZED 1868
BRITISH AMERICA ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1833 RICHMOND INSURANCE COMPANY ORGANIZED 1836
THE NORTH RIVER INSURANCE COMPANY ORGANIZED 1822 WESTERN ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1851
SOUTHERN FIRE INSURANCE COMPANY, DURHAM, NORTH CAROLINA INCORPORATED 1923 WESTCHESTER FIRE INSURANCE COMPANY ORGANIZED 1837
WESTERN DEPARTMENT SOUTHERN DEPARTMENT CAROLINAS DEPARTMENT PACIFIC DEPARTMENT ALLEGHENY DEPARTMENT
FREEPORT, ILLINOIS ATLANTA, GEORGIA DURHAM, NORTH CAROLINA SAN FRANCISCO, CALIFORNIA PITTSBURGH, PENNSYLVANIA
CRUM & FORSTER, MANAGERS, 110 WILLIAM STREET, N. Y. C.

“Nobody home — let’s go!”



Burglars check up carefully on their prospects.

Have you checked up on your prospects for Residence Burglary insurance?

Every householder with property of any value is a prospect for the F. & C. Residence Burglary policy.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



It's the little things that count

Month after month — year after year — we stress in our national advertising the unreplaceable services of you, the local agent or broker. And every month these ads appear in magazines that are read by more than 3,000,000 persons. A vast buying public — fathers and mothers of an average close to two children—home owners who spend \$12,000,000 annually on their gardens and who plan to spend over \$2,000,000 remodeling or building in the near future—suburbanites who do most of their entertaining at home; who commute together and play pitch and bridge and poker and talk things over, including insurance for their homes.

These are *good* prospects — for fire, burglary, liability, personal effects, accident and other miscellaneous lines. Prospects who insist on the *best* protection they can get — not on price alone. Prospects who will spend millions on insurance to keep their homes secure.



HOW TO GET SOME OF THIS BUSINESS

You will find in our monthly magazine "The Employers Pioneer" many helpful articles on building miscellaneous lines. Articles based on actual experiences of successful agents. Articles on complete insurance analysis and many other interesting subjects. Write for a free copy of the current issue. Address your request to the Publicity Dept.

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS

Asks Conference on Countersignature Controversy

**Bowles of Virginia Sug-
gests Parley in Des Moines
Week of Dec. 5**

Commissioner Bowles of Virginia, in addressing the annual dinner meeting of the Association of Fire Underwriters of Norfolk, Va., advanced the suggestion that a conference of representatives of insurance organizations and insurance commissioners be held in Des Moines the week of Dec. 5 in an attempt to reach an agreement as to what should be included in so-called countersignature laws. He suggested that date because that is the time for the mid-winter meeting of the National Association of Insurance Commissioners, which is being held this year in Des Moines.

Mr. Bowles suggested that these insurance organizations should be represented, in addition to the commissioners: National Association of Insurance Agents, National Association of Insurance Brokers, Association of Casualty & Surety Executives, Insurance Executives Association.

Seeks Basis of Settlement

The purpose of the meeting, he said, should be to get together on "some fair, just, equitable and reasonable basis that will be satisfactory to all parties concerned and with a further view of removing this question of commission from the courts and from the legislatures so far as possible and feasible."

Mr. Bowles referred to the fact that the Association of Casualty & Surety Executives contemplates testing the validity of the new Virginia agents license law. The Virginia department, he said, took an active part in the passage of this act, believing it was right, reasonable and fair.

The act now seems to be the subject of nation-wide discussion, he said, and has been thrown into a state of chaos. It is reported, he said, that brokers object seriously to a provision in the act which bars them from receiving more than 50 percent of commissions on business written in Virginia.

Besides Commissioner Bowles, guests of the Norfolk agents at their outing included J. Davis Ewell, president, and Oscar H. West, manager of the Virginia Association of Insurance Agents; E. T. DeJarnette, chairman of the legislative committee; T. T. Moore, chief examiner Virginia department; E. Wright Spencer, manager Virginia rating bureau; L. O. Freeman, Jr., assistant manager, and J. B. Miller, assistant secretary National Association of Insurance Agents.

Indiana Agents Meeting Held at French Lick

FRENCH LICK, IND.—The annual meeting of the Indiana Association of Insurance Agents is being held here, with Ross E. Coffin of Indianapolis, the president, in charge. The meeting will last through Thursday. C. F. Liscomb of Duluth, immediate past president of the National Association of Insurance Agents, is representing that body. There are a number of company officials on the ground. Mr. Liscomb based his address on the football season, calling attention to the "Big Ten" schedule. He built up his own "Big Ten" suggestions for agents. He stated that there never was a time like the present when industrious agents have so many opportunities for developing business and making themselves useful.

President Coffin's Address

President Ross B. Coffin in his address said the burdens of the officers have been light during the year because it was an off year legislative-wise. Some 60 meetings have been held in the state in order to promote interest in the organization. In view of the fact that a state workmen's compensation fund bill will come before the legislature, the organization has felt it highly desirable to get into a state of preparedness. He announced that there are certain interests that are determined to push through this legislation. In fact, many are in favor of a monopolistic state fund.

President Coffin said that there is a growing tendency on part of the public to question the position of an agent because of the many incompetents that are being appointed. As a result of these promiscuous appointments, he said, contracts are issued which do not properly cover their clients. President Coffin said that no non-member should say with truthfulness, "If the Indiana association were what it should be I would have to become a member."

Report of Secretary Stickney

J. W. Stickney of Indianapolis, reporting as secretary, recalled that following the 1937 convention a serious legislative threat developed and a well perfected legislative organization was indicated. A greatly increased membership well distributed over the state was necessary. Money was needed. At a meeting of the Indianapolis Insurance Agents Association in January, President Coffin submitted the problem and the members responded generously to the plea for funds. This made possible the employment of Attorney R. A. Hendrickson as counsel on a full-time basis. The effect, he said, was wonderful. The membership increased 96 percent during the fiscal year and the increase since Sept. 1, 1937, is 106 percent. He referred to the fact that Indiana was awarded the president's cup at the St. Paul national convention for making the largest percentage increase in paid membership among the states.

Mr. Stickney said that successful associations are the ones that have a large reserve in the treasury.

Distribution of membership is important because in any legislative enterprise, he said, the "message from

home" must be developed to the nth degree in every county. Not only must the successful candidates be impressed but the chairmen of the various political units must be led to report to the "powers that be" that state fund insurance is "too hot to handle." The leaders are continuing their efforts to cover every county and the number of local boards has increased materially.

The Salvation Army matter is still progressing, according to Mr. Stickney, although it has slowed down somewhat. Satisfactory progress has been made and the prospects of success are reasonably good.

Although the Washington service office has supplied the Indiana organization at frequent intervals with advance information concerning rural electrification projects, few reports of success of members in securing business from this source have been returned.

R. A. Hendrickson's Address

R. A. Hendrickson of Indianapolis, counsel Indiana association, in his talk on the organization and functions of local and county boards said that the membership should include only those who are willing, able and competent to serve the public properly and efficiently. A board should not be established nor ever function as a self policing or self regulatory body except in rare cases when there is a clear and definite violation of the insurance laws or deviation from accepted business ethics.

In speaking about the procedure to follow in organizing a board he said that there must be at least one agent who appreciates the need of an organization in his community and is willing to take the initiative in selling the idea to one or more of his fellows. They, in turn, should carry on the work, get desirable agents to a luncheon or dinner meeting and discuss the advisability of forming an organization. If a county board is formed he said agents from all sections should have some voice in the organization.

Points Out Danger

Mr. Hendrickson said that the threat of state operated funds for various types of insurance is a direct danger of encroachment on private industry in general and the agency business in particular. Therefore these boards should be active in getting in contact with legislators and explaining the situation to their policyholders. There should be a well defined program in the mind of an agent and he should understand the objection to the bill.

He urged boards to take the lead in fire prevention activities, safety campaigns, etc. There should be a credit interchange information bureau, there should be cooperation with credit men's associations. Some boards established the machinery for financing automobiles and other property. Insurance on public buildings should be handled by organizations. Rural electrification and other governmental projects lend themselves to board control. Ofttimes there

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California Agents Elect C. E. White as New President

**Strong Program Is
Offered at the Annual
Convention in Fresno**

NEW OFFICERS ELECTED

President—C. Elmer White, Oakland.
Vice-president—H. I. Callis, Santa Barbara.

Secretary—T. W. Thomas, Stockton (reelected).

National Councillor—Donald B. Goldsmith, San Diego.

By A. V. BOWYER

FRESNO, CAL.—Pointing out that joint effort of the various insurance organizations makes for stability, R. L. Countryman, Pacific Coast manager of Norwich Union and vice-president of the Pacific Board, was one of the principal speakers at the opening session of the annual convention of the California Association of Insurance Agents here.

"Possibly," Mr. Countryman said, "the general upset and uncertainty of present business conditions has been a factor in bringing about a greater degree of mutual respect and understanding between our two organizations. Undoubtedly there is a growing appreciation by each body of the value and usefulness of the other. There is mutual recognition of the fact that united effort and conference by the two groups can do much for the common good. It only remains for us jointly to continue the search for means and opportunities to promote our general welfare."

The address of welcome at the opening session was by G. H. Jertberg, president Fresno chamber of commerce, "pinch-hitting" for Mayor Homan. Greetings were extended also by Miles O. Humphreys, president Fresno Insurance Association. Frank Ludwick, general manager of West Coast Automobile Insurance Conference, extended the greetings of his organization.

In replying to the addresses of welcome and greetings, H. I. Callis, Santa Barbara, director of the association, stressed the value of conference and urged its continuance on the same "high plane" as in the past.

Two Executive Sessions

Monday afternoon was devoted to an executive session for agents only. The report of the compensation committee was given by Lawrence Wraith of Woodland, chairman; conference committee, including a report on the West Coast Automobile Insurance Conference and the National Automobile Underwriters Association, by G. C. Appleton, and one on the Pacific Board by

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Old-Timers Swap Yarns at Meeting of Life Members

W. H. Lininger Heads the Society and W. K. Maxwell Northwest Body

At the annual meeting of the Life Members Society of the Northwest Association in Chicago this week, W. H. Lininger, who has been vice-president, was elected president. The two vice-presidents elected are R. L. Nicholson of Milwaukee, state agent Michigan F. & M., and D. J. Harrigan of Chicago, state agent St. Paul F. & M. The Life Members Society was peculiarly beset at this meeting. E. S. Phelps of Burlington, Ia., the president, was unable to be present on account of serious illness that attacked him, he being at the Mayo Clinic, Rochester, N. Y. Mr. Lininger as vice-president intended to preside. His wife, however, is seriously ill at the Evanston Hospital, Evanston, Ill. Therefore, W. R. Townley of Chicago, treasurer Underwriters Salvage Company, who had served as president, was called upon to preside.

The nominating committee consisted of W. P. Roberston, North America; A. F. Powrie, Fire Association, and W. K. Maxwell, Hanover.

Northwest Meeting

At the annual meeting of the Fire Underwriters Association of the Northwest, Mr. Maxwell was reelected president; R. M. Buckman, Royal, vice-president; T. M. Hogan, Dubuque F. & M., treasurer; C. E. Ingram, Great American, secretary. The hold-over directors are D. J. Harrigan, Illinois state agent St. Paul F. & M.; E. F. McAdow, agency superintendent Great American in the west; C. W. Ohlsen, western manager Sun; W. J. Tippery, assistant western manager Aetna Fire; C. D. Lasher, San Francisco, Pacific Coast manager Home of New York; F. L. Britton, Topeka, special agent Corroon & Reynolds; H. T. Carlidge, New York City, deputy United States manager Royal-L. & L. & G.; G. S. Valentine, assistant secretary Ohio Farmers. E. G. Frazier of Chicago, secretary Springfield F. & M., was elected a director to succeed A. D. Yeaton, vice-president New Hampshire Fire. The nominating committee consisted of Clem E. Wheeler, western manager Hartford Fire; Robe Bird, western manager American, and R. L. Nicholson, Wisconsin state agent Michigan F. & M.

Some Notables Present

Many were yarns unreel and numerous were the reminiscences at the reception and later at the banquet of the Life Members. Some of the out of town notables attending were W. E. McCullough, Denver; Fred W. Bowers, Babson Park, Fla.; E. T. Tanner, executive assistant Security of New Haven; George K. March, president Detroit National; W. T. Benallack, secretary Michigan F. & M.; G. F. Krumdick of Philadelphia, who recently retired as manager of the Fire Companies Adjustment Bureau there; D. O. Stine of Reedsburg, Wis., former Northwest president.

The machinery and procedure of the Life Members Society is maintained by its efficient secretary and treasurer, W. J. Sonnen of Chicago, who is the backbone of the organization. He announced that E. S. Phelps of Burlington, Ia., president, on account of serious illness was unable to be president and the first vice-president, W. H. Lininger

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Illinois Program for Agents Annual Meeting Announced

The program for the annual meeting of the Illinois Association of Insurance Agents to be held at the Pere Marquette hotel at Peoria, Nov. 16-17 is announced. One of the main speakers at the banquet will be Vincent Cullen, president National Surety, who has been attending agency conventions and has made addresses at some of the state meetings. The Pere Marquette accommodations have all been exhausted and even the Jefferson hotel has been unable to reserve any more rooms. E. D. Lawson, manager western department Fireman's Fund, will be toastmaster at the banquet. The program is as follows:

Nov. 16—Morning Session

Rural agents' breakfast conference.
Local boards breakfast conference.
Committee meeting.

Afternoon Session

Invocation, Rev. Robt. H. Clark, Union Congregational Church, Peoria.
Address of welcome, D. N. McCluggage, mayor of Peoria.

President's report, W. H. Jennings, Jr., Rockford.

Appointment of nominating committee.
Appointment of resolution committee.
Address, R. W. Forshay, chairman rural agents' committee, National Association of Insurance Agents.

Financial Responsibility and Driver's License Laws, W. D. Forsyth, general supervisor automobile department secretary of state's office.

Basic Principles for Successful Selling, F. W. Potter, field representative Aetna Casualty & Surety.
"Word Magic" film.

Banquet

President presiding.
Toastmaster, E. D. Lawson, manager western department Fireman's Fund, Chicago.

Remarks, Ernest Palmer, director of insurance.

Address, Vincent Cullen, president National Surety.

Our Great Achievement, Clarence Heyl, attorney, Peoria.

Closing remarks, W. H. Jennings, Jr., president Illinois Association of Insurance Agents.

At the Helm



HERBERT A. CLARK

Herbert A. Clark of Chicago, vice-president and western manager of the Firemen's group, as president of the Western Insurance Bureau and chairman of the board, presided at the semi-annual meeting at Asheville, N. C., last week. Mr. Clark's annual report to the bureau is acknowledged always as being a classic.

Nov. 17—Morning Session

Reports of secretary-treasurer, national councillor, standing committees.
Open discussion.

Premium financing, Henry Olson, manager First Bancredit Corporation.
Survey of Program Selling, Dudley F. Giberson, Altan.

Future of Long Haul Trucking Insurance, by H. Edward Reeves, Chicago.

Policy Forms, Unearned Premium Endorsement, Other Forms.

Unfinished business.

Amendments, presented by chairman of the board.

Report of resolution committee.
Report of nominating committee.

Election of officers.

THIS WEEK IN INSURANCE

C. Elmer White of Oakland is elected president of California Association of Insurance Agents at annual meeting in Fresno. **Page 3**

Commissioner Bowles of Virginia suggests conference on countersignature laws in Des Moines at time of commissioners' meeting. **Page 3**

W. K. Maxwell of Chicago, resident vice-president in charge of the western department of the Hanover, was reelected president of the Northwest Association. **Page 4**

Life Members Society of the Northwest association elects W. H. Lininger of Evanston, Ill., as president. **Page 4**

H. P. Janisch, executive adviser Service Men's Protective Association of Boston, attacks direct writing companies. **Page 4**

Reverberations are heard over the issue that arose at the Ohio agents meeting. **Page 5**

Revival of monopolistic workmen's compensation fund plan noted at annual meeting of Massachusetts Association of Insurance Agents. **Page 5**

Government spokesman hints agreement near to end domination of car insurance by finance companies. **Page 8**

Utah agents elect Herrick president at Ogden meeting. **Page 5**

Government in insurance business is very real danger, Commissioner Goodcell tells California agents convention at Fresno. **Page 6**

Superintendent Pink of New York addresses brokers on current problems. **Page 6**

Program for the annual meeting of the Illinois Association of Insurance Agents is announced. **Page 4**

Laurence E. Falls, vice-president American of Newark, elected president of Insurance Institute of America at New York annual conference. **Page 6**

Massachusetts attorney-general files suit to halt operation of workmen's compensation "service companies." **Page 23**

A number of prominent local agents in Tennessee meet in Nashville to discuss the automobile situation in that state. **Page 23**

Car & General become authorized to write fidelity, surety and personal accident and intends to start the writing of these classes soon. **Page 25**

Autonomy for Chicago branch of National Bureau of Casualty & Surety Underwriters requested by Chicago organized brokers to be considered in east this week. **Page 25**

Charles C. Bowen, president Standard Accident, is honored on reaching his silver anniversary with the company. **Page 33**

New York brokers hear attack on state health insurance proposal. **Page 23**

W. P. Welsh of Pasadena, Cal., at the meeting of the California Association of Insurance Agents, shows how concerns borrowing money need to carry business interruption insurance. **Page 35**

Insurance Director Palmer of Illinois is now completing his proposals for automobile finance companies. **Page 41**

H. P. Janisch Blasts the Direct Writers As Non-Serving

Urges That Laws Put All Classes of Carriers on Like Basis

H. P. Janisch made his first public appearance last week since being appointed executive adviser of the Service Men's Protective Association. He addressed meetings of the New Hampshire Association of Insurance Agents and Massachusetts agents on succeeding days.

Speaking of fire insurance rate regulation laws he said that in almost all states, discrimination is prohibited. Yet, he said, mutuals may charge the same rates as stock companies but when it comes to determining the dividends, they are left completely unregulated as far as the enforcement of the law is concerned. To discriminate in dividends on the basis of service rendered, Mr. Janisch said, is to strike a body blow at loss prevention.

Render Greater Service

Mr. Janisch said the expenses of stock companies are higher because of the greater service given but people are unnecessarily losing their lives or being maimed in industry where the workmen and employer have not the advantage of the service given by stock insurance and the agency system. Many non-agency mutuals, he said, advertise that they solicit only the best risks. But their lack of service, he declared, soon makes many of them the worst.

Mr. Janisch asked why should participating companies have an equal voice with stock companies in determining the net cost of insurance when purchased in stock companies, when stock companies have no voice in the determination of the net cost of insurance in participating companies.

Discovers Favoritism

Mr. Janisch finds favoritism to participating insurance is general and of many kinds. The advantages such carriers enjoy, he declared, extend to the point in many instances of permitting them to do things inconsistent with their mutuality. Mr. Janisch called attention to the fact that the National Association of Mutual Insurance Companies, comprising a membership of over 800 such companies, is an organization member of the Cooperative Institute. Secretary H. P. Cooper of the association, he said, is a trustee. One of the largest mutual casualty companies, he said, has spent \$500,000 to spread the cooperative idea for the conduct of all kinds of business throughout the country.

Supported Direct Writers

He said that investigation had disclosed that companies whose interests are supposedly related to the agent and broker had, in fact, been giving their support very largely to the advancement of the preferred position of the special privileged direct writing carriers. He said that the agents of Massachusetts were surprised to find at the last legislative session that agency mutuals were defending the interests of the direct writing mutuals as opposed to the interests of the agents.

Referring to mutual life companies he said there is no objection to their political and economic philosophy or methods. Their form of organization, he explained, was originally largely im-

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Fund Plan Again Cropping Up in Massachusetts

Renewed Activity of Labor Element Noted at Massachusetts Agents Gathering

By RALPH E. RICHMAN

Legislation, education and competition were headline subjects at the annual meeting of the Massachusetts Association of Insurance Agents in Springfield. J. W. Downs, legislative counsel Massachusetts Insurance Federation, had the leading role in legislation.

The labor group in Massachusetts, said Mr. Downs, is seeking to travel again toward their goal of a monopolistic workmen's compensation fund, but is using a new approach. The labor men propose to concentrate on compulsory insurance for all employees, expecting a break-down in providing coverage in certain industries, notably the granite industry with a resultant demand for a state fund. Mr. Downs' description of their tactics was verified by exactly that demand voiced by labor leaders in daily papers last week.

Mr. Downs urged all insurance men in the state to begin educating their legislative representatives to support plans similar to those adopted in New York, Ohio, Pennsylvania and Michigan for solving the compensation difficulties surrounding industries where the silicosis hazard prevails.

Downs Makes Suggestion

In general these states set aside silicosis cases for separate treatment, fixing a minimum state residence period of at least one year, a minimum award for one year residence cases rising gradually to a maximum award of \$3,000 to \$3,600 graded by years of residence. Only this method promises success in meeting the demands of both labor and industry, said Mr. Downs, providing compensation and permitting

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Tentative Program for Commissioners

The tentative program announced by Secretary Jess G. Read of Oklahoma for the mid-year meeting of the National Association of Insurance Commissioners in Des Moines Dec. 5-7 includes an address by G. S. VanSchaick, vice-president New York Life and former New York superintendent, at the opening session Monday morning. Commissioner Ham of Wyoming, first vice-president of the association, will respond to addresses of welcome by the governor of Iowa, the mayor of Des Moines and a representative of the Des Moines chamber of commerce.

The first afternoon will be reserved for committee meetings, following an association luncheon at the Fort Des Moines hotel, convention headquarters. A general session will be held Tuesday morning and that same afternoon committees that met Monday will report.

Although the entertainment program is not yet completed, it will be introduced by a reception at the hotel, Sunday evening, Dec. 4, and supplemented with drives, sightseeing and similar features. The banquet is scheduled for Tuesday night. Monday night a stag party will be given for the men and a Pamunkey ceremonial presented. Entertainment for the ladies includes a luncheon and style show Monday at Younker's tea room, and an afternoon bridge party, Tuesday.

A large attendance is indicated. Many commissioners have signified their intention of going to New York the week preceding to attend the Life Presidents convention.

Hooker Now I. U. B. Governor

NEW YORK—J. K. Hooker, vice-president of Automobile of Hartford, replaces Alfred Stinson on the governing committee of Interstate Underwriters Board. Mr. Stinson retired as vice-president of Automobile last August.

Report R. I. Companies Sold

It is reported control of the Merchants and Rhode Island, both of Providence, is being purchased by interests identified with the Vick Chemical Co. for the benefit of the Reinsurance Corporation of New York, and that the net outstanding business of the Rhode Island companies will be reinsured in the American of Newark.

T. J. Means, Jr., 63, local agent of Dearborn, Mo., is dead.

Herrick Is Named Utah President

Fleming, Neslen and Carpenter Speak—Badger Reviews Farm Market

NEW OFFICERS ELECTED

President—N. L. Herrick, Gaddis Real Estate & Investment Co., Salt Lake City.

Vice-President—Clyde R. Fowles, Wasatch Insurance & Investment Co., Ogden.

Secretary-treasurer (reelected)—Walter M. Anderson, Kayser Realty Co., Salt Lake.

Utah committee—Fred A. Moreton, Salt Lake. Holdover committeemen, Con E. Bohn, Ogden, who automatically becomes chairman, and Adrian W. Hatch, Logan.

National councillor—Carlyle E. Eubank, Ogden.

Executive committee—E. Hugh Miller, Salt Lake; E. Hugh Ford, Ogden; Roy Bullen, Logan, and R. S. Curtis, Provo. Committeeman at large, Trace A. Turner, Ogden.

OGDEN, UTAH—With an attendance considerably below that of past years, the Utah Fire & Casualty Insurers Association held its annual convention here with less than 70 members registered. Reason given for the falling off in attendance was the opening up of the big game season the day before. President Fera S. Young, in calling the convention to order, caused much laughter by remarking "What we today lack in quantity, we more than make up for in quality, and not in venison!"

Speakers included Commissioner Neslen of Utah, T. Alfred Fleming, conservation director of the National Board; Samuel L. Carpenter, Jr., manager Pacific Board; George V. Lawry, member Pacific States committee and manager of the Travelers Fire at San Francisco; J. H. Roberts, Salt Lake City, district secretary of the Pacific Board; Fred A. Moreton and C. E. Raybould.

A spirited election was held with N. L. Herrick of Salt Lake succeeding Mr. Young as president.

Commissioner Neslen discussed "Insurance Man's Duty to the Community," urging agents to become civic minded as well as insurance minded.

In speaking on "Relation of Insurance to Credit," Mr. Fleming said 96

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Ohio Reverberation from Agents Rally Raising an Issue

Question of Centralization of Authority or States Rights Arises

Reverberations are still heard from the notable meeting of the Ohio Association of Insurance Agents at Akron last week. At no state meeting has there been so sharply focused an issue that is confronting the National Association of Insurance Agents. The fireworks started when Allan I. Wolff of Chicago, former national president who is a member of its committee to revise the constitution, criticised in a friendly way the Ohio body for taking the bit in its teeth at times regardless of the policy of the national body. Seemingly this castigation aroused the Ohio fraternity as they felt they had been challenged and hence they all arose in defense of their organization. Mr. Wolff spoke at the luncheon the first day and the following morning when the resolutions came up he asked the privilege of the floor and made his pronouncement even more certain and emphatic.

Originally Loose Jointed

The National association in its earlier days was rather loosely jointed, composed of self-regulatory state bodies and did not possess the machinery or headquarters setup to enable it to take a definite stand on country-wide questions. There was not a very definite relationship between the parent body and the state organization.

As time progressed and the national organization headquarters grew in power and scope and much more attention was given to countrywide problems by the officers and executive committee, there began to be formulated a national policy on a number of subjects. In other words, there was felt to be a real necessity for enlarged central power which always comes in any organization, country or institution as it becomes more potent and exercises greater authority at the source.

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CALIFORNIA AGENCY OFFICIALS AT THE FRESNO CONVENTION



C. ELMER WHITE, Oakland
New President



DONALD B. GOLDSMITH, Fresno
Retiring President



H. I. CALLIS, Santa Barbara
Vice-President



FRANK C. COLRIDGE, Oakland
Executive Secretary

Government Cover Is Very Real Danger

Commissioner Goodcell Tells California Agents Self-regulation Is Under Fire

FRESNO, CAL.—Self-regulation of the insurance business is a question now in the balance, Commissioner Rex B. Goodcell of California told the California Association of Insurance Agents in annual convention here. While insurance occupies a highly important position in the economic and sociological scheme of things, if insurance men do not solve their own problems, those in legislature will attempt to do it for them.

Socialization of insurance is in the air, he said, with moves on all sides in the state and nation to put the government into the insurance business. The commissioner expressed himself as being unalterably opposed to such a move, saying: "I am opposed to the government going into business of any kind, insurance or otherwise."

Feels Danger Very Real

This danger is more real in the insurance business and the first move toward socialization of business would undoubtedly be the insurance business because it would take no money—all the government would need would be a printing press and then, as it has been almost universally proved in the past, this would mean a tremendous added cost and elimination from American life of the spirit that has been uppermost in the building of America.

This move will start with the insurance business, he said, unless it recognizes the problems and stands foursquare in combating such tendencies. The insurance business, he said, is the symbol of trust and confidence—confidence well placed and trust completely and fully performed.

Not Policeman or Mentor

Commissioner Goodcell said he did not visualize his duties, after 90 days in office, as that of a policeman or mentor but rather asked that he be accepted as a co-worker in the finest business in the world—the business that has had most to do with the stability and progress of the American people and which has within it enough of inspiration to make men lift their eyes to the heights.

To Work with All Interests

As to his plans for the future of the department, Commissioner Goodcell said he had been in office too short a time to make expression but he pointed out that he is inviting representatives of all groups within the business to sit down together that a well-rounded program of legislation may be laid before the legislature when it convenes next January.

High tribute was paid Commissioner Goodcell by W. H. Menn, president National Association of Insurance Agents who followed him on the program. Mr. Menn urged support of agents and companies in seeing that proper laws are enacted and the proper legal set-up made to put the commissioner's program in operation. Without such setup, he said, nothing can be accomplished.

Maine Order Is Issued

Commissioner Lovejoy of Maine has issued a warning to all companies operating in the state against issuing policies which are signed either in blank or contain any signature other than one actually written on the contract by a licensed agent. He declared that policies cannot be countersigned in blank, nor can rubber stamp or printed facsimile signatures or countersignature slips be used. The contract itself, he said, must be personally signed by a licensed agent.

Name Falls Head of Insurance Institute

Progress in Year Reported by Officers at New York Conference

NEW YORK—Laurence E. Falls, vice-president American of Newark, was elected president of the Insurance Institute of America at the annual conference. John S. Thompson, vice-president Mutual Benefit Life, and E. C. Stone, U. S. general manager and attorney Employers Liability, were elected vice-presidents, and Edward R. Hardy continues as secretary-treasurer.

Named to the board of governors with term expiring in 1941, were: R. H. Colcock, manager Liverpool & London



LAURENCE E. FALLS

& Globe in New Orleans; W. B. Crutenden, vice-president, Springfield Fire & Marine; P. M. Fell, superintendent Suburban Division, Middle Department Rating Association, Philadelphia; R. D. Flynn, vice-president and actuary Travelers; C. W. Hall, vice-president and treasurer Northwestern Fire & Marine; J. W. Henry, Pittsburgh, and W. D. Winter, president Atlantic Mutual, retiring president. John H. Grady, U. S. attorney General Accident, was elected to succeed Frederick Richardson on the board of governors, term expiring 1940.

W. D. Winter, president, in his opening address stating that the past ten years have ushered in a new era where business is on the defensive. He warned that too little attention is being paid to the insurance needs of the public.

"Great Minds Discuss Ideas" was the topic of Mr. Falls' address. He called attention to the fact that the teachers of the Insurance Institute are actually engaged in the business they teach and that they are dealing with adult minds. One-third of man's day is given over to leisure, he said, and the use to which that leisure is put means the difference between success and failure. If it is devoted to the advancement of a man's self he will develop ideas, and to develop an idea is to approach greatness.

In his report Secretary Hardy departed from his usual procedure by first recording a vote of thanks to the staff of the institute for its work.

"The value of an organization is in the men and women connected with it," he said. The membership of the institute has not changed materially during the past year. The number of registrations for examinations shows an advance of 801 over 1937. These came from 38 states, Canada, Hawaii, the Philippines and five foreign countries. There were 234 graduates this year.

Mr. Hardy commented on the high standard established for the brokers qualification course in New York City

"Read Policy Week" Creates Good Will

SAN FRANCISCO — Emphasizing the importance of "Read Your Policy Week" as proclaimed by Governor Merriam of California, Commissioner Goodcell said that many times the insured is not fully informed as to the exact coverage of his policy and his requirements may have changed since he purchased his policy so that he needs additional protection. He said that 99 percent of the companies and 99 percent of the insured do business on a fair basis and that 99 percent of the controversies between companies and policyholders arise because the policyholder thought he had coverage for which he had not applied.

The only answer to this situation is a better understanding between assured and insurers brought about by having the assured read their policies and to consult with their agent or broker on questions which are not clear.

Much of the insurance department's work would thus be eliminated and goodwill created.

Frank N. Belgrano, Jr., president Pacific National Fire, said: "Brokers and agents, by insisting that their policyholders read and understand their policies, will also avoid misunderstandings that sometimes arise over claims. Frequently, they will write much additional business when the assured thus becomes aware fully of the need and the coverage purchased."

Insurance Women of New Jersey Muster

NEWARK—The October meeting of the Insurance Women of New Jersey was held in Newark and proved highly successful. There were 85 in attendance. Most of the counties were represented. Miss Beatrice Caldwell, special agent Franklin Fire, attended from Camden. The charter membership was closed at this meeting with a total enrollment of 132. Miss Belle Helmlinger, chief form examiner of the Schedule Rating Office at Newark, was appointed chairman of the fire prevention committee; Mrs. Ruth Harris of the Murdoch-Fairchild Company, Montclair, chairman good will committee. W. A. Schaefer, Newark agent, gave a talk on "Holding the Compensation Line." The next meeting will be held in Newark, Nov. 17. Mrs. Christine B. Nolan gave an account of her attendance at the St. Paul convention of the National Association of Insurance Agents.

which has served as a model for other states. Considerable interest is shown in the correspondence courses. He said, mainly by persons who wish to brush up their knowledge of the business. Referring to printed matter, Mr. Hardy urged the publication of an annual volume containing a selection of the most valuable addresses made before the societies. He reported that the institute has a ruling from the internal revenue department exempting it from paying income taxes, social security taxes and the new occupancy tax in New York City.

Reporting on the societies, the secretary said that only one had dropped out in the past year and that new ones are being established, one in Chicago and two study groups, in Bloomington, Ill., and Columbus, O. Plans also are going forward for establishment of an institute in Canada. In conclusion, Mr. Hardy urged continuance of high standards in the institute courses and maintaining them as insurance courses in substance and fact as well as name.

Prizes were awarded to students having highest marks in the various courses, announced last September. Superintendent L. H. Pink extended his congratulations to the winners. Mr. Winter announced that Frederick Richardson has been made an honorary fellow of the institute.

Payment by Insured Is Ideal-Pink

New York Superintendent Tells Brokers Association Standards Rising

NEW YORK—Superintendent Pink of the state insurance department, talked at the 13th annual dinner of the General Brokers Association Wednesday on "Broker Leadership." He said the general estate of the broker has risen during the year. One brokers' organization has adopted a code of ethics which has been received with commendation. It is a hopeful sign that more and more colleges and universities are organizing insurance classes. Insurance is becoming more complex. In order to advise his clients intelligently the broker must know not only the forms of policies but the intricacies of business life. Mr. Pink paid a tribute to Julian Lucas, awarded a medal by the brokers as the person who has rendered the most distinguished service to the insurance business during the past year. Mr. Lucas has been a leader in the revision of the standard fire policy.

Insured Should Pay Brokers

Referring to the problem of the insurance counsellor in fire and casualty, Mr. Pink said he was at first inclined to think that counsellors should have a separate examination and a separate license. However, after much consideration he has come to the belief that a separate classification is not desirable but that all persons who hold themselves out as fit and competent to advise the public should be required to procure a broker's license. Brokers should be fully competent to advise the public and though brokers are paid by the companies, while counsellors are paid by the insured, the difference is immaterial. "It is my thought that as brokers become more and more qualified counsellors and advisers some progress may be made toward that ideal situation where the public and not the companies will pay for their services," said Mr. Pink. However, he does not believe that that will come soon.

Walter Williams at Work

W. D. Williams, president of the Security of New Haven and western manager at Rockford, who was in the hospital in his city and subsequently the Presbyterian Hospital in Chicago, is now back on the job spending a few hours at his office in Rockford. He has made one trip to New Haven since he returned from the hospital.

Little Rock Exchange Outing

LITTLE ROCK, ARK.—Several of the officers of the Arkansas Association of Insurance Agents attended the annual barbecue of the Greater Little Rock Insurance Exchange, including G. S. Purifoy, president, Camden; L. R. Martin, manager Pocahontas, and Mr. and Mrs. C. C. Mitchener, Marianna.

Requiem mass was celebrated in St. Agnes Church, Rockville Center, L. I., for Mrs. W. A. Rattelman, wife of the New York manager of the National Union Fire. She died at the family home last Friday. She suffered a stroke about a year ago.

W. A. Hays, president American Fire & Casualty, Orlando, Fla. was in New York this week. The company, formed in 1932 and operating so far only in Florida, plans to enter Georgia, North Carolina and Virginia soon.

G. Burgess Fisher, III, secretary of the George B. Fisher company, prominent Hartford agency, was married to Miss Susanne Lee Cooper of Passaic, N. J.

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Says U. S. May End Auto Finance Evils

Assistant Attorney-General Hints at Agreement on Insurance Before Long

Settlement of the producers' problem presented by loss of much insurance to automobile finance companies and dealers was predicted by Edmond G. Ford, special assistant to the U. S. attorney-general, in a talk at the annual meeting of the Insurance Brokers Association of Illinois held in Chicago. Mr. Ford would give no details, explaining the government policy was never to issue propaganda relating to pending cases. There are three cases pending in South Bend and many others upon which information has been secured by the government which may result in indictments unless settlement is reached on the points at issue.

The whole tenor of Mr. Ford's address was that the government even after indictments are secured seeks to settle difficulties out of court, which implied settlement was near in the auto finance situation.

A number of brokers, including Joseph Schwartz, urged that the government not step in until other local means have been exhausted. Mr. Schwartz expressed fear that if the government did take such a step it would be easy for it to develop into an investigation of all insurance. He noted that following a study by the Illinois insurance department a plan was drafted to meet the situation, and he urged this be given a trial.

Suggests Cooperative Effort

The possibility of a cooperative federal and state action to end monopolies by finance companies of insurance on financed cars was seen in Mr. Ford's inquiry whether there would be any objection to such a move. He urged the brokers to send memoranda to him at once giving specific cases to which they objected. He said if the government should step in on the theory that the Sherman act is being violated, the objective would be that every man in the insurance business should be able to operate without large combinations opposing him and taking away his business.

R. M. Redmond, past brokers president, cited a case in which on an actual value policy the loss settlement was made out by the adjuster for the interest of the finance company only. Mr. Redmond succeeded in securing a proper settlement for the car purchaser.

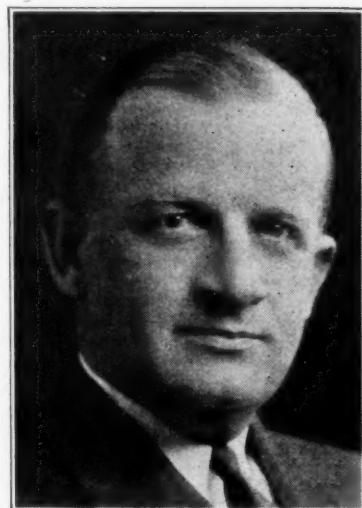
Other cases were cited where unearned premiums were not refunded to the car buyers. There was also an informal discussion of the practice of a Chicago auto finance company of paying a \$2 bonus per deal to brokers for bringing them business, but Mr. Ford would not commit himself as to this practice.

Ten new directors were elected: G. H. Anderson, T. F. Coleman, C. E. Freeto, H. H. Holcomb, J. H. Moore, A. W. Ormiston, P. W. Petersen, Joseph Schwartz, J. M. Timmons and C. M. Varde. The board will meet in about a week to elect the new officers.

The brokers have been assured by Insurance Director Palmer and J. S. Glidden, manager Chicago Board, that they will be given opportunity to be heard before any action is taken on the subject of fire insurance acquisition cost which is now being studied. W. J. Robbins, chairman of the committee reported the plan now being considered entails some commission reduction for brokers.

This does not have to do with marine, accident, health or casualty. Mr. Robbins said E. J. Schofield, director

New Missouri President Has Had Active Career



WILLIAM J. WELSH

William J. Welsh, of Kansas City, new president of the Missouri Association of Insurance Agents, has been in the insurance business since 1919, when he entered the training school of the Travelers at Hartford. Later that year he went to Kansas City as branch office field man for Kansas and Missouri. For a time he was assistant manager in charge of all casualty lines.

In 1926, he became a junior partner in the agency of Mann, Barnum & Welsh, now Mann, Barnum, Kerdolff & Welsh.

Twice president of the Casualty & Surety Underwriters Association of Kansas City, and chairman of its executive committee two years, he has been vice-president of the Missouri Association of Insurance Agents for two years. He was vice-chairman of the forms conference committee of the Missouri group the past year. At St. Paul he represented Missouri on the resolutions committee. He was chairman of the legislative committee of the Kansas City Insurance Agents Association for two years and has represented that association at workmen's compensation hearings continuously since 1925. He has attended every such hearing in that period.

of the casualty and surety acquisition cost conferences, will go to Chicago later to discuss acquisition cost with the brokers. Mr. Robbins said casualty companies charge as much as 67 percent on casualty acquisition cost in Chicago, of which the brokers get only a portion in commission.

It is possible the brokers "gold rush" party will not be held this December as for the last two years, C. J. Nolan, chairman of the committee, reported, tentative plans call for an educational meeting which may last two or three days.

F. P. Lavin, past president, urged that the brokers work for a "favorite broker" law such as was passed in New York, which in real estate and similar deals permits the borrower to secure insurance through his own broker.

Another question taken up was the prevalent practice of banks and mortgage houses of swinging the insurance of property on which loans are made. C. A. Berger, association president, said the question should be answered finally whether any mortgage house has the right to take insurance away from the brokers in this manner.

Joseph Schwartz reported on the brokers choral group which he directs and which meets Tuesday nights. There are now 31 in the group.

F A M O U S A M E R I C A N H O M E S



The Home of Paul Revere...

IT IS NOT generally known that in addition to the many other activities of Paul Revere, he practised dentistry at 19 North Square, Boston, where he lived from 1770 until 1800. In this connection it is interesting to glance at the quaint advertisement, relative to his care of teeth, which he inserted in the Boston Gazette on August 20, 1770, and which informs us that:—"Paul Revere Takes this Method of returning his Most Sincere Thanks to Gentlemen and Ladies who have employed him in the care of their Teeth. he would now inform them and all others, who are so unfortunate as to lose their teeth by accident or otherwise, that he still continues the business of a dentist, and flatters himself that from the Experience he has had these Two Years (in which Time he has Fix't some Hundreds of Teeth) that he can fix them as well as any Surgeon Dentist who ever came from London. he fixes them in Such a Manner that they are not only an Ornament, but of real Use in Speaking and Eating; He cleanses the Teeth and will wait on any Gentleman or Lady at their Lodgings. he may be spoke with at his Shop opposite Dr. Clark's at the North End, where the Gold and Silversmith Business is carried on in all its Branches."



The Revere House was situated among Boston's finest residences and cost its purchaser two hundred and thirteen pounds, six shillings, eight-pence. It dated back to the year 1676, having been built just after the great fire, a century before the patriot made his famous ride.

The Revere home was restored by the Paul Revere Memorial Association and is now a museum containing many heirlooms.

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Says Credit Man Should Emulate Bank and B. & L.

FRESNO, CAL.—The credit man should use the same vigilance in protecting the assets of his firm as does the neighborhood bank, building and loan or automobile finance company, according to T. A. Fleming, director of conservation National Board, who addressed the annual meeting of the California Association of Insurance Agents here. These lending agencies require the borrower to purchase insurance as a guarantee of the unpaid balance.

He referred to the blank that was adopted at the recent convention of the National Association of Credit Men, which enables credit executives to determine if the client is adequately covered from all risks.

The insurance agent, who is called in, to make the survey must be equipped to explain each type of insurance and show why it is essential.

Position of Agent

Mr. Fleming expressed the belief that by the end of this year every local board in the country will be working out a cooperative insurance-credit program. The agent is the man to educate credit men and business executives in the various types of insurance available to protect them in emergencies.

Mr. Fleming cited certain specific examples of credit losses that could have been averted had the proper insurance been carried. For instance a firm of shipbuilders made repairs to a ship after a collision at sea. The bill was unpaid when the job was finished inasmuch as the owners expected an adjustment from the firm causing the accident. The boat was lost on its second trip and the owners went into bankruptcy. The contractors got 10 cents on the dollar. A disbursement policy covering the cost of the repairs for the contractors' interest would have paid them in full.

Another example he cited was that of a concern using the lower floor of a six story building for manufacturing purposes. It was granted an extensive line of credit. The concern owned the building and its credit rating was enhanced by the fact that about a thousand dollars a month was collected by the firm in rents for the building. A fire occurred and although there was fire insurance there was no U. & O. and no rent insurance to cover the rent item which was supporting the credit that was extended. As a result the concern is in bankruptcy.

On the constructive side he told of two sons who took over their father's business at his death. They called in an insurance man and followed his recommendations. Among other things they trebled their liability on each delivery truck and placed \$50,000 life insurance on each partner with the firm as beneficiary. Within the first two years one of the partners was killed while riding home on one of the delivery cars. Three others were injured. This firm was saved from bankruptcy by the life and liability insurance.

W. E. White, veteran local agent at Winfield, Kan., died there. The late Gordon A. White, for some years with the Crist & Co. Son general agency of Kansas City, was a son.

Statler Hotel Will Be Headquarters

The Statler hotel in Boston has been selected as the official headquarters for the annual convention of the National Association of Insurance Agents in September, 1939. No definite decision has yet been reached regarding the convention date.

Closeups of Massachusetts Agents Annual Meeting

The New England Associations of Insurance Agents will meet next July 5-7 at Bretton Woods, N. H., it was announced at the annual meeting of the Massachusetts Association of Insurance Agents held in Springfield.

Fred Norton of Salem, secretary-treasurer Massachusetts association since 1912, is seriously ill. His has been the longest secretarial service in the history of the organization. He regretfully withdrew from his official post at the annual meeting.

Robert Pennell, Portland, Me., vice-chairman of the New England Advisory Board, president of the Maine association, is expected to succeed the late Frank Brodie, Waterbury, as chairman. The board meets early in November.

Former Commissioner DeCelles of Massachusetts spoke in Springfield at a "Curley-for-governor" rally the same day the Massachusetts association met. Speculation is that Mr. DeCelles again will be commissioner should Curley be elected.

John W. Downs, legislative counsel, Massachusetts Insurance Federation, was still on the front pages of Springfield papers two days after the convention as labor leaders were using his convention speech as a vehicle for promoting their workmen's compensation state fund plans. They said Mr. Downs was starting to lobby before the legislature was elected.

Spencer Welton, vice-president Massachusetts Bonding, defined a gentleman as one who does not betray that he has heard you tell that story several times before.

If the Massachusetts association gave five door prizes to agents present at the conclusion of its conventions every agent would get a prize. With no one more than a few hours from home, members leave earlier than from any state association convention. This happens year after year. It makes program makers hesitate to invite any one to address the afternoon sessions.

Agencies writing supplementary coverage for short periods to expiration are depending on future renewals for profit on this business.

LeRoy T. Brown, New York, secretary America Fore group, and Fred S. Marshall, East Aurora, New York, the rural agents problem team, made both the Massachusetts and New Hampshire agents' conventions. A confusion in dates caused Mr. Brown, however, to miss his spot on the program at Springfield. A. L. Polley, Hartford Fire, Hartford, substituted for him there.

The Springfield Fire & Marine was host company at the Massachusetts association luncheon.

Wherever Roy Duffus talks a Bible quoting repartee contest gets under way. Charles Hewitt entered the lists at Springfield.

George Day in Central West

George Z. Day, vice-president Standard of New York, is on an agency trip in the central west.

Harry S. Pressler, Cincinnati, returned to his desk after an absence caused by painful injuries incurred on his way to a football game at the University of Cincinnati. Mr. Pressler was running to the ticket office and stumbled over a curbing. He threw his hands up to his face to protect his glasses and landed heavily on his elbows, fracturing both of them, and a knee also was broken. The injuries kept him away from his office for several weeks.

S. L. Larkin has sold his interest in the Larkin & Hendrixson agency, Bethel, O., to Erice Hendrixson, his partner. They have been associated in the business 15 years. Mr. Larkin will continue in the insurance business.



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AS SEEN FROM CHICAGO

Aetna Fire Managerial Parley

Four home office officials of Aetna Fire, headed by President W. R. McCain were in Chicago three days for their annual conference with western department officials. The delegation, in addition to Mr. McCain, consisted of Vice-president J. M. Waller and Secretaries F. G. Bush and G. G. Quirk.

Flieth Chicago Manager

H. G. Flieth, who has been connected with Johnson & Higgins in Chicago for the past eight years, has been appointed Chicago manager of Schiff, Terhune & Co. of New York. Mr. Flieth attended University of Wisconsin and entered the insurance business in the cashier's department of Travelers in Chicago in 1929.

Alan F. Arnold has succeeded George F. Brown as vice-president and director of the Illinois corporation of Schiff, Terhune & Co. He is also a vice-president and director of the New York corporation. Although he will not be permanently located in Chicago, that office will come under his supervision and

he will make frequent trips to Chicago in the future.

L. & L. Executives to Confer

Conference of the three regional executives of London & Lancashire in this country with A. S. Rogers, general manager at the head office, will be held in Chicago. Gilbert Kingan, United States manager and manager of the eastern department, is expected to arrive in Chicago Friday; Mr. Rogers will arrive the next day and W. W. Gilmore, Pacific Coast manager, on Monday. Carsten Claussen is the western manager.

Acquisition Reform Program

Although no official statement has been made, most of the Chicago fire insurance department heads think they know the main provisions in the program that has been submitted by a special committee of the Chicago Board to Insurance Director Palmer in response to his demand for reform in the acquisition cost set up in Chicago.

Instead of the present 25, 30 and 35 percent scale for class 1 agencies, it is

said the Chicago Board committee recommends 32½ percent for preferred business and 20 percent on nonpreferred. Commissions to brokers instead of being 15, 20 and 25 percent would be 20 percent on preferred and 10 percent on nonpreferred.

In Chicago proper, it is said, there would be just two classes of producers, supervising agents and brokers. That is the present class 2 and class 3 producers would be put on the same footing.

Another reported provision is that companies would be allowed to have only three, instead of at present four, supervising agencies and after 2½ years they would be limited to two such agencies. To qualify for class 1 membership, it is said, the proposal is that 80 percent of the agency's business must be brokerage.

George Herrmann, 83

George Herrmann, head of George Herrmann & Co., well known Chicago agent, will celebrate his 83rd birthday anniversary Thursday of this week. He is just as alert as ever, tends strictly and consistently to business and keeps in close contact with his office. He has a strong battery of partners and directors: George Herrmann, Jr., E. C.

Sweetland, Charles H. Nunan, W. A. Shay, C. Marshall Rogers, V. M. Herrmann, Frank L. Flinn, Robert Griffith, J. J. Gorman and A. H. Mayer.

Mr. Herrmann is a Chicago native, having been born Oct. 27, 1855. He has been engaged in insurance in the city more than 35 years, establishing his present agency in 1898.

Mavon Resident Vice-president

G. A. Mavon, well known Chicago local agent, who is general agent of the Trinity Universal of Dallas, has been appointed resident vice-president of the company in Chicago territory.

Fred S. James Ahead

Life insurance placed with the Travelers by Fred S. James & Co., Chicago, increased 81 percent during the first nine months, and paid for business so far exceeds that for all of last year. Accident premiums are ahead 22 percent.

A luncheon and afternoon sales meeting was held for brokers in charge of Clay F. Lundquist, life and accident department manager. D. W. Donley, superintendent of production for the General Accident, explained its new comprehensive policy and discussed sales ideas.

Hannah Visits Chicago

C. C. Hannah, second vice-president of the Fireman's Fund group, was in Chicago Monday enroute to San Francisco where he will make his future residence, having been in charge of the eastern department at Boston for a number of years. He held a conference with Western Manager E. D. Lawson and his associates while in Chicago.

Insurance Division Quota

The insurance division of the 1938 Chicago Community Fund campaign has been assigned a quota of \$77,000, it was announced by Arthur Croxson, of Rollins, Burdick, Hunter Co., division chairman. Insurance in the 1937 campaign contributed \$77,284. The drive objective this year is \$3,550,000.

Mr. Croxson reported the appointment of the following as division vice-chairmen: J. C. Caperton, general agent State Mutual Life; R. M. Cunningham Marsh & McLennan; G. H. McClure, assistant treasurer Lumbermen's Mutual Casualty; Neville Pilling, U. S. manager Zurich; R. L. Read, manager Crum & Forster; C. J. Zimmerman, general agent Connecticut Mutual Life.

Directors Are Nominated

A. F. Powrie, western manager Fire Association; Walter C. Gielow of Cloyd, Gielow & Dudley, and Henry Buswell of Lunde & Buswell have been nominated for election as directors of the Chicago Board at the quarterly meeting Oct. 27. The retiring directors are Lyman M. Drake of Critchell, Miller, Whitney & Barbour; M. C. Aleshire, Parker, Aleshire & Co., and E. M. Schoen, western manager Atlas.

Effective Royal-Liverpool Novelty

NEW YORK—So effective are the advertising cards that are now being furnished agents of Royal-Liverpool, that orders already have been received for more than 300,000, and with every indication of reaching half a million. The card was designed by R. W. Smiley, superintendent of the publicity department. It is in the form of a small folder, intended to be carried in ladies' handbags during the Christmas shopping season. Space is given for entry of details about the intended gifts. When the gift list is completed, the suggestion is made that protection for these, as well as for presents the purchaser may receive, may be procured through inland marine covers issued by Royal-Liverpool. Among the possessions mentioned in the card that should be insured are jewelry, furs, objects of art, cameras, stamps and coin collections, rare glass and musical instruments.

The Rule of Three—

A large poster that attracts and interests your townspeople in a new way; a "Guide to Prospects" that automatically shows Who needs What; a "Prospect Card" that keeps on selling when you leave off—these constitute our new "Rule of Three" in "Inland Marine Selling Made Easier."

With these, anyone can crack this lucrative field. And, of course, they are free to our Agents—and prospective Agents.

THE AMERICAN INSURANCE GROUP NEWARK, NEW JERSEY

Fire Companies

THE AMERICAN

THE COLUMBIA FIRE

DIXIE FIRE

NORWICH UNION

AGENTS
value the dependability
and nationwide prestige
of the
NORWICH UNION
based on a long and
honorable record of
service

NORWICH UNION **FIRE INSURANCE SOCIETY, LTD.**

Hart Darlington, Manager

Eagle Fire Company **of NEW YORK**

Incorporated 1806

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION **INDEMNITY COMPANY**

Hart Darlington, President

75 Maiden Lane, New York

In NORWICH UNION there is strength

COMPANIES



PACIFIC NATIONAL
Agents—constantly profiting by this Company's nationwide growth, progressive management and cordial cooperation—are cashing in on another exclusive Pacific National business-builder. ☆ It is a Personal Property Floater folder ("On Top of the World"), pronounced by Agents *one of the most effective Inland Marine selling aids ever produced.* ☆ Would you like a sample copy of this unique 4-color Silent Salesman—with its graphic message and self-contained forms? Just mail the coupon.

PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

Eastern Department
DREXEL BUILDING
PHILADELPHIA

W. A. WATERS, Assistant-Secretary

OTHER OFFICES:
Atlanta, Boston, Chicago, Columbus, Detroit, Indianapolis, Kansas City, Los Angeles, Newark, Pittsburgh, Portland, Seattle.

PACIFIC NATIONAL
FIRE INSURANCE CO.
376 Pine Street, San Francisco.

Gentlemen:

Please send me information on Pacific National's Agency cooperation, and sample copy of "On Top of the World."

Name _____

Address _____



VIEWED FROM NEW YORK

By GEORGE A. WATSON

Brokers Favor Change

Directors of the Insurance Brokers Association of New York have gone on record as favoring a change in the present New York standard fire policy. The National Association of Insurance Commissioners' special committee which is studying the proposed revision of the fire policy was commended for its work so far. "In order to meet the public demand the work should go forward until this new and broader policy has been adopted in all states," the resolution read.

Discuss Hurricane Loss

Coverage available against losses such as occurred in the hurricane and tidal wave along the eastern seaboard is being considered at a luncheon meeting Oct. 27, sponsored by the Risk Research Institute. Speakers include Ralph W. Morrell, vice-president Davis, Dorland & Co., brokers, who will analyze insurance coverages available, and E. E. Heins, general manager eastern department, Fire Companies Adjustment Bureau, who will discuss insured losses and their adjustment. J. G. Goetz, managing director of the institute, 50 Church Street, N. Y., is in charge of reservations.

C. C. Hannah's Committees

Charles C. Hannah, recently called from the management of the eastern department of the Fireman's Fund at Boston to become vice-president at headquarters in San Francisco, held membership on important committees of various governing organizations. While certain of these will be surrendered, others will be retained. His associates appreciate Mr. Hannah's deep knowledge of underwriting affairs, combined with a courteous and highly diplomatic manner of expressing his views.

At present he is chairman of the board of the National Automobile Underwriters Association, a member of the executive committee of the Eastern Underwriters Association and on the fire prevention and the laws committees of the National Board.

M. O. Loysen's Future

When M. O. Loysen, New York special deputy superintendent in charge of the liquidation bureau, retires from the department, which he will do shortly, the understanding is he will be connected with the unemployment insurance fund, the unsatisfactory condition of which is a political issue in the present state campaign. When the unemployment fund law became operative the office in charge was wholly unprepared for the deluge of applications that poured in upon it, and the selection of Mr. Loysen to help whip affairs in effective shape is held a result of that condition.

Reducing Hurricane Damage

Now that reconstruction is under way following the recent disastrous hurricane, fires and flood, special interest is found in a timely booklet made available to the public by the National Board, "Suggestions to Building Occupants for Reducing Hurricane Damage." The pamphlet describes the characteristics of hurricanes and gives suggestion to aid people in avoiding much of the damage from these severe windstorms.

Practical suggestions are made for improved methods of building construction as previous disasters have proved that the best time to prevent damage to structures is while they are being planned.

Data has been gathered from the United States Weather Bureau and

suggestions are given which should be followed before receipt of hurricane warnings and others to be followed after receipt. Although winds in a hurricane frequently attain velocities of more than 100 miles an hour, 60-mile winds also may cause considerable structural damage.

A very interesting section of the booklet describes the action of wind on buildings, both as ascertained by tests on models of buildings in wind tunnels at the U. S. Bureau of Standards and by actual storms. Photographs showing hurricane damage are included. Copies may be obtained by writing to the National Board of Fire Underwriters, 85 John street, New York City.

Oppose Compulsory Cover

As presently phrased, if the proposed amendment to the New York constitution is adopted by the electorate Nov. 8, the legislature may deem it a "mandate" to enact a compulsory health insurance law, a special committee of the Accident & Health Club of New York reported. The committee is headed by J. R. Garrett, and includes L. W. Winslow, H. M. George and W. T. Hammer.

The committee since September has been studying the issue bound up in the state's social welfare program. The clause criticized states that "nothing in the constitution shall prevent the legislature from providing for the aid, care and support of the needy, directly or through subdivisions of the state, or for the protection, by insurance or otherwise, against the hazards of unemployment, sickness or old age."

The committee expressed hope the legislature would not adopt a compulsory health insurance plan, noting the experience of foreign countries in this

Lightning Claim on Cows Poisoned by Sorghum

LINCOLN, NEB.—A novel claim question has been put to Insurance Director Smrha. A Saline county farmer lost three head of cattle when they got into a field of unmaturing sorghum and died of poison. He has asked the Western Union Mutual to reimburse him under a provision of the policy covering losses by lightning as the fence intervening between the sorghum and the pasture into which they had been turned had been knocked down by a bolt.

connection offers no hope that it would result in better public health.

"In those foreign countries which have compulsory health insurance, periods of disability have lengthened, the quality of medical care has tended to deteriorate, an expensive and bureaucratic machine has been created, and a financial burden has been put on workers, employers and taxpayers in general, out of all proportion to the benefits received by those insured," the committee commented.

"It is well to note that under the plan last submitted in this state the benefits were more extensive and included all dependent members within the worker's household, whereas the English plan covers only the worker himself. Obviously this would increase the cost of the New York plan many times over that of the English system."

C. L. Bright of Jesup, Ia., has been presented a gold sign in recognition of having represented the American of Newark for over a quarter century.

George Ruhmland of Crawford & Ruhmland, Des Moines, is recovering from an operation to remove a small tumor in Luthern hospital. He was stricken several weeks ago.

SOUND - SOLID - SUCCESSFUL

ORGANIZED
1869



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\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE
ALWAYS A SYNONYM FOR
STABILITY, SERVICE AND THE SQUARE DEAL
TO AGENTS AND POLICYHOLDERS

NEW HAMPSHIRE
FIRE INSURANCE CO.
MANCHESTER, N.H.

GRANITE STATE
FIRE INSURANCE CO.
PORTSMOUTH, N.H.

ORGANIZED 1885

CAPITAL \$1,000,000.00



FURS AND FOOTBALL

With the pigskin season underway and gridirons all over the country a-buzz with activity, it is a sure signal that the open season for furs is at hand. The alert agent observes this and will be the first to get his share of the fur insurance business.

Tell your clients and prospects about the broad cover offered under Providence Washington or Anchor personal jewelry, fur, fine arts and other personal property floaters.

Write for agency information.

PROVIDENCE WASHINGTON

INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND

Incorporated 1799 • Capital \$3,000,000.00

ANCHOR INSURANCE COMPANY

Incorporated 1928 • PROVIDENCE, RHODE ISLAND • Capital \$1,000,000.00

NEWS OF FIELD MEN

North British Makes Minnesota Change

Following the death of State Agent O. R. Van De Wall, the North British & Mercantile group announces a rearrangement of the Minnesota field. State Agent W. H. Paul will be in charge of St. Paul and Minneapolis in addition to his former supervision of the North British & Mercantile, Pennsylvania, Mercantile and Commonwealth in the rest of Minnesota. To assist him, Special Agent W. F. Moore is being transferred from Kansas City to Minnesota. Both make their headquarters in the Plymouth building, Minneapolis. Mr. Paul has been with the North British in Minnesota for 16 years. Mr. Moore has been in the employ of the company for 13 years. He was formerly at the head office and has done field work in a number of states in the middle west.

Illinois Fire Underwriters in Quarterly Meeting

Explanation of new forms recently adopted for use in Illinois was given at the quarterly meeting of the Illinois Fire Underwriters Association in Chicago this week by H. O. Snediker of the Western Actuarial Bureau. About 100 field men attended, R. H. Gregg, president, being in the chair.

Memorials were read for the late Charles R. McCabe and A. T. Ahlin. There was a general discussion of routine matters, including the Business Development program, which was reported on by D. J. Harrigan, general chairman. Wallace Rodgers, assistant manager Western Underwriters Association, outlined the program for the coming year. Miss E. E. Edwards, secretary, assisted Mr. Gregg.

Dinner for R. W. Hukill

Ralph W. Hukill, Fireman's Fund, Norwood, O., recently elected most loyal gander of the Blue Goose, will be the guest of honor at a dinner given in Columbus Monday night by the Ohio pond. L. Rubrecht, most loyal gander, will preside. J. H. Burlingame, Chicago, assistant general manager Western Adjustment, will be a speaker. The Blue Goose grand nest will hold its annual meeting in Cincinnati Aug. 29-31. A. C. Guy, Columbus, manager Western Adjustment, is chairman of the committee in charge of arrangements. The Ohio field clubs will hold their November meetings in Columbus Tuesday.

Another speaker will be B. S. McKeel of Raleigh, N. C., grand custodian.

Outline Iowa B. D. Work

At the luncheon meeting Monday of the Iowa Blue Goose, C. W. Borrett, Des Moines, state agent Hanover and secretary Iowa Fire Underwriters Association, spoke briefly of its work and

purposes, emphasizing particularly the Business Development work, which is now entering its third phase. He and T. C. Little, state agent Fireman's Fund, described some of the plans now being made for B. D. activities in 1939.

Several guests were at the luncheon, including F. C. Bertiaux, Chicago, assistant secretary Hanover Fire; W. H. Harrison, Jr., Chicago, special representative Royal-Liverpool groups; W. J. Toole and James Conick, who have recently joined the Underwriters Adjusting in Iowa.

The ladies of the Iowa Blue Goose held their October meeting Friday. Mrs. John R. Hoff was chairman.

Royal-Liverpool Recasts Its Setup in Texas

Percy M. Marshall has been appointed regional manager for Texas by Royal-Liverpool.

Several men have been appointed as Mr. Marshall's assistants, they being R. M. Tweed, Jr., Joseph Becker, Philip Hickel, Robert Jonason, Elbert Henn and Curtis Johnson. They will be assigned to specific territories.

R. C. McConnell, who has been Texas state agent for the Royal, will be transferred elsewhere to assume more important duties.

Four Texas special agents for the Royal in the future will give attention to both Royal and Liverpool groups. They are L. H. Durlow, G. J. Henry, H. J. Hughes and J. H. Speed.

Bleser in Kansas for Hartford

Howard J. Bleser has been appointed special agent in Kansas for Hartford Fire, with headquarters at 701 Jackson street, Topeka, where he will assist Special Agents Butcher and Covington.

Mr. Bleser started with Hartford's western department as a mail clerk in 1929. A year later he began the special insurance course at Northwestern University, which he completed in 1932. He subsequently became map clerk, assistant examiner and examiner. During the past four years he has attended the Kent College of Law night school where he was graduated in 1938 and immediately passed the Illinois bar examination.

Dinner for Barr and Hayes

A number of Iowa field men are planning to attend a farewell party in Omaha Nov. 7 for Paul H. Barr of the Hanover and R. R. Hayes of Crum & Forster in connection with a Blue Goose meeting. Mr. Barr has been transferred to Kansas City and Mr. Hayes to Oklahoma.

R. A. Kenzel of Milwaukee, grand welder, is expected to attend. A business meeting and initiation will be held in the afternoon and the banquet for Messrs. Barr and Hayes in the evening.

McDavid with the Hanover

The Hanover Fire announces the appointment of J. R. McDavid as special agent for South Carolina. He is a native of the state, a graduate of the University of South Carolina Law School, and has been intimately associated with the insurance business all his life, being a descendant of and related to a long line of men who have been prominent in that business in South Carolina. At present his father and two brothers are connected with insurance companies both in South Carolina and Virginia. Mr. McDavid will make his headquarters in the Carolina Life building, Columbia, S. C.

Tennessee Meetings

A fire prevention meeting will be held Oct. 25 at Huntingdon, Tenn. The city requested this meeting primarily to arouse public interest in the improvement of their waterworks system and fire-fighting equipment. Town inspection

will start at 1:00 o'clock and the program will be completed that night with a dinner at which time members of the Lions Club will be present as well as other business men and property owners. This is the first meeting held under the supervision of the new officers of the state fire prevention body.

Business Development meetings were held at Murfreesboro and Shelbyville, Oct. 25, much interest being manifested in them. Permanent committees from the local agents' organization will co-operate with the fieldmen's committee in further development of this program.

To Honor T. D. Hughes

In view of the fact that Thomas D. Hughes of Tampa, Fla., state agent of the America Fore, has been called to his head office to fill an executive position, the Florida Blue Goose will give him a testimonial dinner in that city Nov. 10. George E. Edmundson, well known general agent, is most loyal gander and deputy most loyal grand gander for Florida, Alabama and Georgia.

Mutual Field Club Meets

AKRON, O.—The Mutual Field Club of Ohio held a regular meeting and banquet here. Many of the members stayed over to maintain headquarters at the Mayflower hotel during the convention of the Ohio Association of Insurance Agents. E. C. Frampton, Lumbermen's Mutual, Mansfield, Ray Crawford, Massachusetts Mutual Fire Underwriters, Columbus, Samuel Coldwell, Central Manufacturers, Columbus, S. E. Hanawalt, Mill Mutuals, Columbus, J. H. Rohrer, Springfield, and A. W. Hites, Celina Mutual, Dayton, were among those at the headquarters.

Glens Falls Coast Changes

Alfred J. Taggard, Seattle, special agent Glens Falls, will hereafter cover Montana and relinquish the Oregon territory. Special Agent Rich, formerly covering Montana, will confine his activities to Idaho and Utah.

Bean Sets Speaking Record

Clarence E. Bean, America Fore special agent, who covers eastern Kansas with headquarters in Kansas City, made the outstanding record for members of the Kansas Fire Prevention Association in Fire Prevention Week speaking. Mr. Bean appeared in five cities addressing schools and civic clubs that week.

Golden Wedding Anniversary

Mr. and Mrs. J. D. LaTeer, of Peoria, Ill., celebrated their golden wedding anniversary Oct. 16. In the afternoon the LaTeers held open house to members of the Blue Goose, and their wives. In the evening a celebration dinner was served at the Hotel Pere Marquette. Mr. LaTeer is state agent in Illinois for the Agricultural and the Empire State.

Foster Missouri Speaker

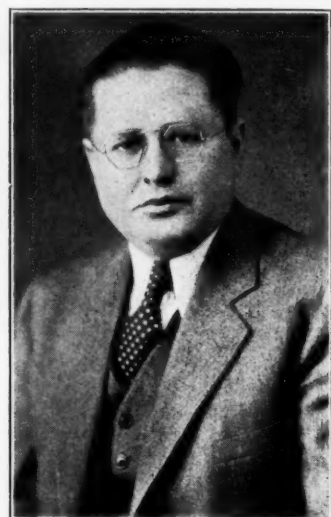
The Missouri Fire Underwriters Association will meet Nov. 3-4 at the Missouri Hotel, Jefferson City.

W. S. Foster, Chicago, retired associate western manager of the North America, and an outstanding authority on use and occupancy, will talk on that subject at the dinner. Local agents have been invited to hear Mr. Foster.

Penn Blue Goose Elects

Plans are being made by the Penn Blue Goose at Philadelphia to prepare for the grand nest meeting which is expected to be held in that city in 1940. Paul M. Fell is appointed general chairman at large. J. N. Woodward, Hartford Fire, was elected most loyal gander; Robert Dunn, North America, supervisor; W. R. Lewis, Franklin Fire, custodian; G. B. Mattson, Fire Association, guardian; W. A. Albertson,

Now Local Agent



FRED J. SUMMER

Fred J. Summer, who recently resigned as Illinois state agent of the Employers Fire, is entering the local agency field on the south side of Chicago.

He started in 1915 as an endorsement clerk with the Continental, later that year going with the Queen and advancing to assistant examiner, later entering the Illinois field in 1919 under State Agent A. S. Jacobs. He continued with the Queen until its consolidation with the Royal in 1929, when he became state agent of the Employers Fire.

Mrs. Summer, a former employee of the Queen, has successfully followed the local business for many years and will continue as a partner under the firm name of the Summer Agency.

Royal, keeper; Joseph Knowlan of Knowlan, Thorp & Co., welder. Mr. Knowlan will advance to the head of the order in 1940, he now being grand supervisor.

Address Ohio Group

J. A. Neilan, Norwich Union; P. F. Brown, Hanover, and H. R. Underwood, Providence Washington, addressed the Stock Fire Insurance Speakers Association in Columbus, O. Mr. Neilan talked on "Mortgage Clause With and Without Contribution and Loss Payable Clauses," and Mr. Brown on "Protection of the Mortgagees' Interest." Mr. Underwood spoke on "Fire Prevention in Mercantile Establishments." The association is devoted to training members in public speaking.

Illinois Blue Goose Muster

The Illinois Blue Goose will have a meeting at the Jefferson hotel, Peoria, the evening of Nov. 15, which is the night before the Illinois Association of Insurance Agents starts its convention. Most Loyal Gander John Chickering of Chicago will be present as will most of the officers. The golf trophies will be awarded to the winners in the tournament. The plaque will go to the winner and trophies to runners up. This will be open night so that anyone can go to the dinner, whether he is a member of the Blue Goose or not.

Kentucky Annual Meet Nov. 22

The Kentucky Fire Underwriters Association will hold its annual meeting in Louisville Nov. 22. The Kentucky Blue Goose will have a dinner-dance that evening.

Carolinas Blue Goose

The Carolinas Blue Goose will hold the first meeting of the season at Sedgewick

You will be helped to sell if you become an agent for this company.

SINCE 1854
THE PHOENIX
INSURANCE COMPANY
OF HARTFORD, CONNECTICUT
Cash Capital, \$6,000,000.00
Surplus to Policyholders, \$44,807,872.44



From the Horse and Buggy days of 1873 to this latest era
of rapid transportation

Great American

has properly commanded the confidence of its agents and
the public.



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DETROIT FIRE & MARINE INSURANCE CO.
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NORTH CAROLINA HOME INSURANCE CO.

Fire

Marine

Great American
Group of
Insurance Companies
New York

GREAT AMERICAN INDEMNITY CO.
ROCHESTER AMERICAN INSURANCE CO.
MASSACHUSETTS FIRE & MARINE
INSURANCE CO.
AMERICAN NATIONAL FIRE INSURANCE CO.

Casualty

Surety

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO
AGENTS EVERYWHERE

field Inn, Greensboro, N. C., Nov. 9. In the afternoon there will be a business meeting and a bridge tournament for the ladies. There will be a banquet and dance in the evening. The Carolinas pond is contemplating entertaining the grand nest at Asheville in 1941 and plans are being worked out for the meeting. Ben S. McKeel, New York Underwriters, is grand custodian.

Farewell for Swisher

DES MOINES — A farewell party was given J. C. Swisher, Iowa and Nebraska state agent of Corroon & Reynolds, who has been transferred to Kansas City. About 30 field men and business friends attended. John Hall was chairman.

Honor J. E. Tenner

The St. Louis Blue Goose gave a testimonial dinner Monday in honor of J. E. Tenner, Hartford Fire, recently

retired. He is a charter member of the St. Louis pond.

Sturhahn in Los Angeles

LOS ANGELES.—C. F. Sturhahn, president Rossia, is on the Pacific Coast, having come here by plane.

Miscellaneous Notes

George Peacock, state agent Agricultural, Milwaukee, addressed the Oshkosh (Wis.) Rotary Club on fire prevention.

George A. Marshall, assistant collector of customs, spoke to the San Francisco Blue Goose on the oriental situation and the U. S. customs service.

W. H. Fulkner, Iowa state agent Crum & Forster, and W. A. Seely, field supervisor, both of Des Moines, are on a hunting trip in the Dakotas in search of pheasants.

The Don O. Jones Insurance Agency recently was opened in 319 Hubbell building, Des Moines. Mr. Jones has been with the Chamberlin, Kirk & Co. insurance department.

*Ancient in Years
Modern in Method
Progressive in Service*



Royal Exchange Assurance

WORLDWIDE FIRE INSURANCE
SERVICE FOR 218 YEARS

**PROVIDENT
FIRE INSURANCE COMPANY**

Organized in the State of New Hampshire
— 1924 —

**CAR & GENERAL
INSURANCE CORPORATION, Ltd.**

— 1903 —
The first company organized
to write automobile risks

111 JOHN STREET
NEW YORK

Fire and Casualty Lines

COMPANIES

Pacific National's Expansion

The Pacific National Fire, which entered the east only three years ago, opening a modest office in Philadelphia, in addition to its headquarters in San Francisco and its southern California department in Los Angeles, now has department, branch or service offices in Atlanta, Boston, Chicago, Columbus, Detroit, Indianapolis, Kansas City, Newark, Philadelphia, Portland, Ore., and Seattle, President F. N. Belgrano, Jr., states.

General agencies of the company maintain principal offices in Houston, Denver, New Orleans, Jacksonville, St. Louis, Salt Lake City and Reno.

Vote for Pavonia Dissolution

President John A. Mets announces that the directors have adopted a resolution authorizing final dissolution of Pavonia Fire of Jersey City under the direction of the New Jersey department. Mr. Mets stated that he recommended such a step to stockholders on Aug. 15. He said that action was taken because the capital structure of Pavonia Fire was such that it was difficult to attract good business.

All outstanding liabilities have been reinsured in Dubuque F. & M. Premium reserve of Pavonia Fire amounted to about \$15,000.

An order of dissolution of Seaboard Fire of Atlantic City was entered sometime ago. The entire 2,000 shares of Seaboard stock are owned by Pavonia. Seaboard's assets are being transferred to Pavonia Fire, in return for which Pavonia will turn back to Seaboard the 2,000 shares.

St. Paul F. & M. Dividends

The St. Paul Fire & Marine has voted a \$2 quarterly dividend. This action follows two previous quarterly payments of \$2 and one of \$1.50, which maintains the stock on the \$7.50 annual basis.

Bold Infringement

A bold imitation of the "Direct Reading Rate Finder and Cancellor" is being peddled in the middle west. This is the famous disc cancellator with the "reading arm" for showing the number of days in force, amount earned short rate and prorata, etc., on insurance policies.

Action is being begun against those who sell or use the imitation, both under the copyright law and before the federal trade commission. The imitation is complete except that the copyright notice is omitted and in place of the name of the Discomputer Company, the actual copyright owner, there is boldly inserted the name of the Cancellor Company, with an address stated as 333 North Michigan Avenue. After some trouble trace of

Views Trends in Regulation of Insurance Companies

A review of the trend in the regulation of insurance companies from Venetian times up to the Securities & Exchange Commission's present investigation was presented at the Western Insurance Bureau's Asheville meeting by Samuel Levin, Chicago attorney. The scope and direction of the SEC study has not been fully stated, said Mr. Levin. It has been suggested that the inquiry is not a matter of investigation of the insurance business but rather an endeavor to determine the extent to which insurance investments led themselves to monopolistic tendencies in industry, and to determine the influence exerted upon the policy of industrial corporations through the ownership of their securities. Insurance companies are by far the largest corporate investors in the country. It is possible that Congress in this investigation may build up a record which could be used as a basis for federal legislation affecting a control of insurance, said Mr. Levin.

The tendency of recent legislation has been to grant almost plenary powers to the insurance commissioner. The Illinois code gives the director power to make reasonable rules and regulations as may be necessary and the New York superintendent is given power to do such things as will best promote the interests of the people. The courts interpret these laws liberally because they regard the strict regulation of insurance companies, as socially desirable. Consequently they tend to overrule the commissioner only in clear cases where his action has been in excess of power or abuse of discretion. The commissioner oftentimes obtains obedience to his desires or rulings simply because the companies do not wish to resort to litigation.

Recent legislation has been directed towards the agents and their commissions. Mr. Levin says it is hoped that the controversies with reference to such legislation will be amicably settled. He also criticized the short-sighted position situation.

The Cancellor Company was found in the office of the Telephone Secretarial Service at that address, but it was stated that no mail for the so-called Cancellor Company has been deliverable for a long time. A copy of the imitation cancellator was tested and that copy was found to be incorrect in giving the number of days and percentages of earned and unearned premiums.

The genuine cancellator is sold by THE NATIONAL UNDERWRITER and by the Discomputer Company of Grand Rapids.

Carlyle Holleman has reentered the local agency business at 409 Chamber of Commerce building, Atlanta, and will represent the General Accident and the Century.

NEW YORK
BUFFALO
PITTSBURGH
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VANCOUVER
MONTREAL
BOSTON
ST. LOUIS
LONDON

Mutual Engineers Hold Conference

R. E. Maginnis, in charge of insurance relations in the New York office of American District Telegraph, demonstrated the photo-electric cell smoke detector for air conditioning systems at the annual meeting of the Association of Mutual Fire Insurance Engineers held for four days in Washington under auspices of the Federation of Mutual Fire Insurance Companies.

L. W. Bowman, Employers Mutuals, Wausau, Wis., was elected president. Other new officers are: Vice-president, C. M. Rowley, Lumbermen's & Manufacturers Mutuals, Chicago; second vice-president, H. E. Muller, Improved Risk Mutuals, St. Louis, and secretary-treasurer, R. D. MacDaniel, Grain Dealers National Mutual Fire, Indianapolis. H. C. Hubbard, Mill Mutuals, Columbus, O., is retiring president.

The meeting next year will be held somewhere in the middlewest, possibly Chicago.

Some of the speakers were H. C. Lee, Mutual Fire Prevention Bureau, Chicago, "Rate of Rise Devices;" H. L. Hunt, Indiana Lumbermen's Mutual, "Stoker Coal in Dwellings and Mercantiles;" D. A. Mullin, the Mill Mutuals, Minneapolis, "Face Powder and Cosmetics Manufacturing;" C. F. Galloway, United Mutual Fire, Boston, "Appraisals," and W. C. Cotner, Central Manufacturers Mutual, "Acids in the Common Risk."

Wolff Favors Approach to State, but Not to U. S.

In reporting the spirited debate at the final session of the Ohio Association of Insurance Agents in Akron as to the wisdom of the action of the Ohio body in appealing to the United States attorney-general to introduce the matter of coercion of insurance premiums into the Sherman anti-trust prosecution of certain motor manufacturers and finance companies, it was erroneously stated that Allan I. Wolff of Chicago voiced the opinion that neither state nor federal authorities should be approached in this matter. As a matter of fact, Mr. Wolff was addressing himself only to the question of federal aid and he quite definitely pointed out that Insurance Director Palmer of Illinois has taken a definite position on the automobile finance situation and that Mr. Palmer should aid greatly in clearing up the situation. An approach to the state, he declared, is proper, correct and should be vigorously pressed.

Mr. Wolff is a past president of the National Association of Insurance Agents. He gave an address at the Ohio meeting which was largely a plea for harmonious relations between the various state associations of insurance agents and the National organization.

Later in the meeting a resolution was offered supporting the action of the officers and trustees of the Ohio association. A request was made from the floor for an explanation and Secretary

John A. Lloyd of the association made a defense of what had been done. Mr. Wolff arose to suggest a policy of moderation, but the members voted overwhelmingly to endorse the position of the administration.

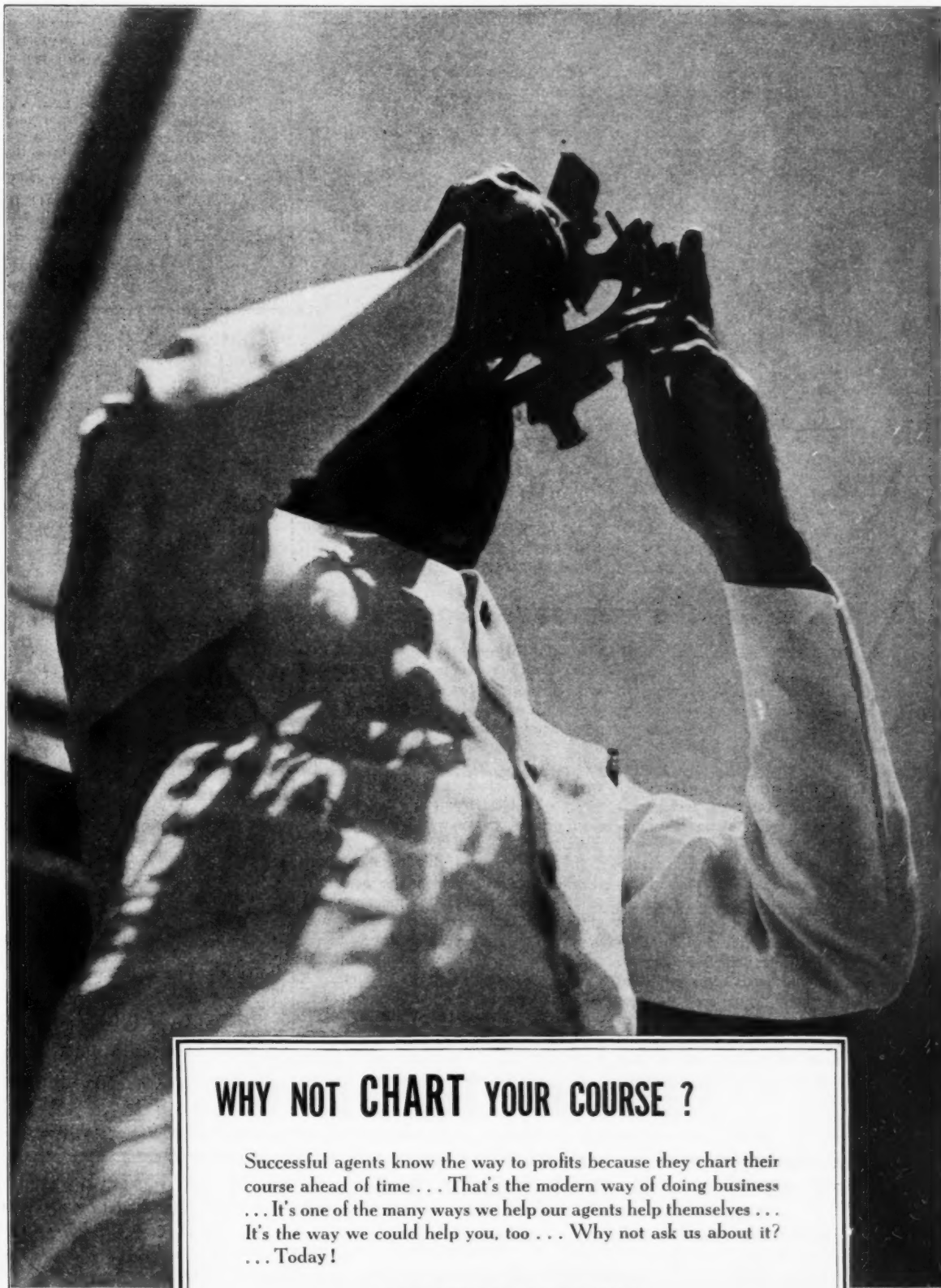
Wisconsin Men Feted

There were a number of Wisconsin men attending the Life Members Society meeting and other functions in Chicago this week and the occasion was taken by the former field men of Wis-

consin who now reside in Chicago to entertain the visitors. Clarke J. Munn, manager of Cook County Loss Adjustment Bureau, presided at the luncheon. D. O. Stine, Reedsburg, Wis., retired state agent of the St. Paul Fire & Marine, gave a talk. Others present were W. B. Calhoun, Milwaukee; Harry Norton, American; Robe Bird, western manager of the American; R. T. Gravenstein, Hanover; A. J. Skowrup, former state agent Great American; R. L. Nicholson, state agent Michigan Fire & Marine; H. J. Girard, state agent

Providence Washington; Harry B. Doten, manager Hotel Monterey, Janesville; P. F. Lewis, Milwaukee; P. J. Metzger, assistant agency superintendent London & Lancashire; E. G. Frazier, secretary Springfield F. & M.; C. W. Hutchinson, state agent North British; W. J. Sonnen, Chicago, former manager Chicago department St. Paul Fire & Marine; W. E. McCullough, general agent Denver.

The Western Millers Mutual of Kansas has been licensed in Arkansas.



PHILIP D. GENDREAU

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EDITORIAL COMMENT

Need for Injection of New Blood

H. D. WINTER of Canton, O., state agent of the AMERICA FORE, in his talk before the Ohio agents at their annual meeting made an observation as to the injection of new blood into organizations that is certainly worth emphasizing. He believes that too few of the hundreds of capable young men graduated from college are finding their way into the insurance business. Evidently the opportunities for men in the insurance ranks, either in the producing line or in general offices, have not been presented in a roseate form. Mr. WINTER finds in his rounds that there are a number of first-class agencies that are dying of dry rot and simply need an infusion of strong young blood to add zest and aggressive-

ness to the organization's personnel.

In our opinion there is a bigger demand than ever in the agency field for alert, clear thinking, forthright and ambitious young men who are willing to study fire and casualty contracts, procedure and forms so that they become masters of them and coupled with this knowledge possess sales characteristics. The producing end of the business is becoming more and more important. Insurance must be sold and sold intelligently and in a way that will give the purchaser the highest service.

Perhaps insurance as an institution has not appreciated as it should the need of getting young men of larger mold and greater vision in its confines.

Getting a Good Look at One's Self

SOME people cannot see very much in the jobs they are filling. They tend to minimize what they are doing. They get sort of an inferiority complex and look upon their work as more or less

insignificant. It might be well for such people to get a good look at themselves. In that way they might find out what is wrong and take steps to correct their attitudes.

Workers Who Have Made Progress

WHEN one studies the life, achievements and career of men who have reached the top of their organization there seems to be always one conclusion. These people have climbed to the highest rung of the ladder because they have worked

intelligently and they are none other than workers who have advanced. They did not arrive there without some reason. They are there because they made their mark. They won their spurs and hence progressed.

Field Men Are the Insurance Teachers

THE NATIONAL UNDERWRITER has always taken a very friendly and earnest interest in the work of field men. In many ways field workers constitute the educators of insurance. Their work has changed considerably in recent years, especially those traveling for fire companies. Their duties now largely center about production and the development and education of agents along salesmanship lines.

Field men today should be real teachers of insurance. To that end, therefore, they must be masters of their industry. They should not only know the contracts, coverages, but further than that they should understand how to adapt them to the needs of assured and should understand what are the best means of approach and explanation of insurance functions on part of agents. The new field for these workers does not mean that they are taking the place of local agents. In fact, some local agents object to field men soliciting business with them because the assured,

may get the impression that the local agent does not know his business. It is not necessary for the field men to do the soliciting but he should be in a position to tell the local agent the main points to bring out and the explanation to be made. In the more intricate covers, very often it is to the best interest of a local agent to have the field man present to answer technical questions.

In the rounds of his regular duties the field man should make a careful study of each agency, the members constituting it, the key men, the business opportunities, any peculiarities as to the town, the character of competition, the strength of competing offices, etc. A field man should ask the question as he approaches a local office, "What is the best thing that I can contribute to this agency?"

There should be some definite thought in the mind of the field man as to a particular agency. Each one has a personality of its own. It is not

possible to make a ready made suit that will fit all. The field man in many cases is a tailor who must fit the clothes to the particular agency. The field men that are making the greatest impression are those that are studying their business, preparing themselves from day to day and are able to discern those factors that constitute each agency.

A field man must be quick on the trigger. He must be prepared for any

emergency that arises. Very often in his work with local agents he cannot foresee the issues or questions that may arise. However, he can be so well prepared fundamentally that whenever a contingency arises he will be able to meet it. That means he must be well grounded and must be the master of his position. Today there is a greater opportunity than ever for the alert, all-round capable field man.

Need to Follow a Straight Path

DENNIS C. SMITH of Chicago, executive special agent for the farm and hail department of the AMERICA FORE, in his address before the OHIO ASSOCIATION OF INSURANCE AGENTS, spoke of the muddying of the waters in the farm field by agents who represent companies that are dabbling in the business and that do not appreciate the necessity of following a strict course. Farm insurance above all other departments of

insurance requires very definite boundaries and when an agent or a company seeks to get far afield, grief follows. Any farm underwriter who becomes indifferent, lax or believes that he can sell at a lower rate than experience shows to be safe discovers to his sorrow that in this particular bailiwick the straight and narrow way is the only one that leads to underwriting success.

PERSONAL SIDE OF THE BUSINESS

W. J. Traynor, publicity director North British & Mercantile group, has the sympathy of his friends in the death of his mother, Mrs. Mary J. Traynor, at the family home, Glen Brook, L. I., some days ago, following a short illness. Her husband died several years ago.

Mrs. W. H. Lininger of Evanston, Ill., wife of the former resident vice-president of the Springfield F. & M. group in its western department, is seriously ill at the Evanston hospital where she underwent an operation and is being prepared for another one. Her son, Homer, and his wife flew to Chicago from their place, "The Lodge in the Desert," near Tucson, Ariz. Another son, Herbert K. Lininger, state agent of the Springfield F. & M. in Oklahoma City, has also been at the bedside of his mother.

William R. Drake, former Ohio field man and who at one time traveled out of Chicago, died from a heart attack at Oakdale, Cal. He was an adjuster subsequently for the Underwriters Adjusting at Columbus, O., and in later years was an independent adjuster for mutuals. He recently removed to Oakdale, Cal., where his wife and daughter now reside.

T. Norman Pyle, vice-president of Penn Mutual Fire of Chester County, Pa., died at his home in Malvern, Pa. He conducted a haberdashery in Malvern from 1900 to 1935, when illness caused his retirement, but he retained his insurance business.

Frank T. Priest of Dulaney, Johnston & Priest, Wichita, Kan., prominent for many years in national, Kansas and Wichita agency affairs, former member of the executive committee of the National Association of Insurance Agents and earlier this month elected vice-president of the Kansas association for


the third time, is reported on the road to recovery from a sudden attack at his home, at first diagnosed as heart trouble. He was removed to St. Francis Hospital where he will remain for some ten days or so, to be followed with three weeks further rest, probably at his home, before he will be permitted to return to his desk. Mr. Priest was forced to take several weeks rest two years ago and at that time withdrew from numerous "outside" responsibilities, but the past year had felt that he had fully recovered.

W. R. Cook, 57, for 31 years head of the Cook & Cook Bonding & Insurance Co. of Wichita and a charter member of the Wichita Insurers, died suddenly at his home after spending a busy day at his office. He had not been in the best of health the past three months but had spent some time at his office each day, as his brother and partner, John E. Cook, is now located at Pharr, Tex. A large number of field men and local agents attended the funeral.

E. J. Norton, Sr., head of the Norton Insurance Agency of Macomb, Ill., corrects a statement that he started with the National of Hartford, Oct. 10, 1884. It was Oct. 10, 1894.

David J. Main of the Standart & Main general agency, Denver, is in the midst of his annual football pilgrimage to the east. He attended the Dartmouth-Harvard game last Saturday and will be cheering for Dartmouth this Saturday against Yale. He is an active Dartmouth alumnus. Between football games he is working in a visit with a daughter in Boston.

George H. Tryon, 72, vice-president of Marsh & McLennan in New York, and former fire company field man and executive, died at his home in South Orange, N. J. He was born in Buffalo

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and started in the insurance business with the old Armstrong agency there. In 1900 he went with National Fire as special agent in New York state. In 1904 he was taken into the head office of National, became assistant secretary in 1911, secretary in 1913 and vice-president in 1918.

In 1921 Mr. Tryon went with Marsh & McLennan as vice-president in New York.

Patricia Ellis, Hollywood movie star, left Detroit Saturday for New York after a week's visit with her father, Eugene G. O'Brien, state agent Pearl-American group.

John W. Reed, 66, for many years Ohio and Indiana state agent for the Dubuque Fire & Marine, died in Chicago after more than a year's illness. He started in insurance work in 1902 with the old State of Illinois. He joined the Dubuque in 1909 and continued with that company until he was forced to give up field work on account of illness.

Due to the fact that Mrs. Myrtle B. West, prominent local agent of Oshkosh, Wis., had just returned home from the hospital, she was not able to take the leadership in Fire Prevention Week activity in her city, which has been her hobby for the past 25 years.

Due to her leadership in previous years, the observance of Fire Prevention Week in Oshkosh has attained national recognition. In a radio address, Fire Chief Revland of Oshkosh referred to Mrs. West's accomplishment.

A number of the friends of Raymond Daniel in the fire insurance fraternity at Atlanta are giving him a testimonial dinner next Monday evening. Mr. Daniel who has been associate editor of the "Insurance Field" for many years resigned to become secretary of the Industrial Insurers Conference, thereby terminating a quarter of a century of business relationship with fire insurance in the southeast. The committee in charge consists of Clarence Ruse, Dowdell Brown, John M. Harrison and Hugh T. Powell.

Chet V. Davis of Sheridan, Wyo., and Mrs. Davis are spending a few days in Chicago being entertained by W. P. Robertson, general manager of the North America, and Mrs. Robertson at their home in Wilmette, Ill. Mr. and Mrs. Davis are on their way to Philadelphia, his agency representing the Indemnity of North America. On their return they expect to go to Flint, Mich., to purchase a new car and drive back home.

Carl B. Gale, 54, president Gale-Flournoy agency of Pittsfield, Mass., died after several months' illness. He entered the insurance business on graduation from Williams College in 1906. He was one of the earliest to plan and carry out an endowment insurance program for graduating classes in college, writing \$25,000 on the Williams class of 1914. His first experience was with the Berkshire Life, later he was with an agency in Lee, Mass., and in 1912 with his father bought out an agency in Pittsfield.

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Each 22x60, one story, brick, near loop. Built specifically for insurance purposes. Formerly used by western departments. Address J-3, The National Underwriter.

OKLAHOMA SPECIAL AGENT

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ADDRESS J-4, NATIONAL UNDERWRITER

Texas Commissioner Post to Daniel or Tarver, Is Belief

DALLAS—The number of candidates for Texas life insurance commissioner (who is automatically the chairman of the board of insurance commissioners) has not decreased but political gossip narrows the field of real prospects to the present commissioner, Judge R. L. Daniel, who apparently has the support of the Texas life companies but is unpopular with many fire and casualty agents and companies because of his attitude toward the agents' licensing law,

and Judge W. A. Tarver, former commissioner, who is considered a non-political candidate and is credited with having been a good commissioner.

Much favorable newspaper publicity concerning Judge Daniel has recently appeared, indicating an attempt to arouse public sentiment in his favor. Judge Tarver served as president of the Insurance Commissioners Convention his final year as Texas commissioner and received a high appointment in the Treasury Department in Washington when he retired from his Texas job. He still holds his Washington office.

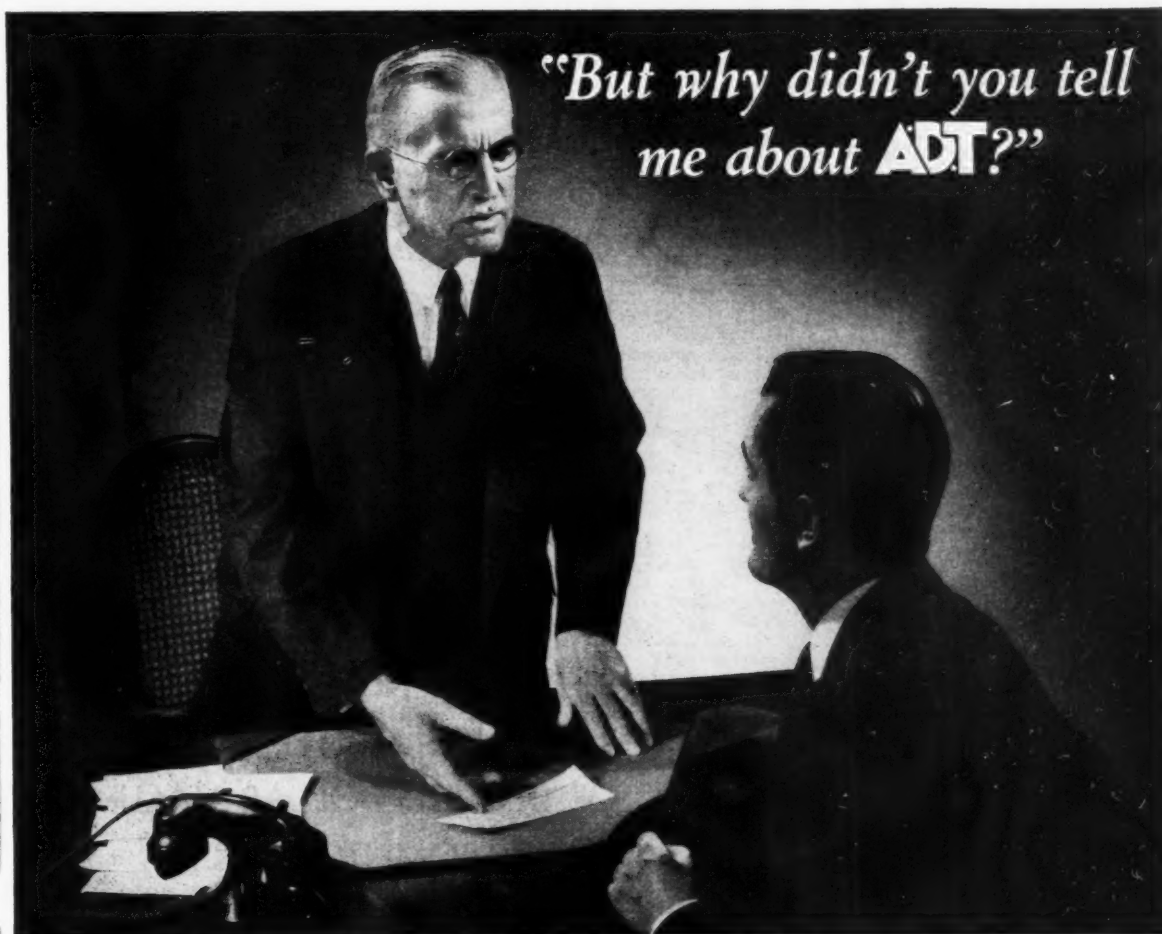
The appointment will be made by the

new governor in January for a six-year term.

N. F. P. A. Committees Meet

The National Fire Protection Association committee on farm fire protection will hold its fall meeting in Chicago Nov. 29. Dr. David J. Price, U. S. department of agriculture, Washington, is chairman. The committee on protection of records plans to meet in Washington either this month or early in November.

G. W. Coon, 84, for 35 years an agent at Milton, Wis., died there.



"YES, this check covers the depreciated value of the burned building but it falls far short of the cost of a new one..."

"And in the meantime...What about the orders we can't deliver? What about the dealers we'll lose to competitors? What about our buying public, who'll switch to other brands? What about our sales and accounts receivable records, formulas and research data? What about the fixed charges that will keep piling up?"

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The NATIONAL UNDERWRITER

October 27, 1938

CASUALTY AND SURETY SECTION

Page Twenty-three

Bay State Attack on Compensation Service Companies

Attorney-general in Suit Calls Scheme "Offense Against Decency"

BOSTON—Attorney-General Devir of Massachusetts has brought an action to restrain so-called service companies that operate hand in hand with stop-loss or aggregate workmen's compensation contracts in London Lloyds. The attorney general contends that this system results in claim settlements with employees that are less than the scale stipulated by law. He states that employees of Massachusetts concerns that are insured on that basis number about 300,000. The best known of these service companies, the attorney general states, is the Robert F. Coleman Company of New York.

In Massachusetts, firms that go into a service company-London Lloyds scheme renounce the compensation law and this, the service concerns argue, puts them in the classification of non-insurers. However, the attorney general takes the position that these firms are as a matter of fact self-insurers and self-insurance is not permitted in this state.

How System Operates

The stop-loss system has become well known to insurance people in recent years. The assured puts up in escrow a sum that represents 75 percent of the premium that he has been paying for regular compensation insurance the previous year. He pays his own losses until that fund is exhausted in any year.

If the loss exceeds the amount of that fund, London Lloyds pays the excess. The client agrees that the service company shall handle all adjustments. In Massachusetts a workman to file a claim against the service company must resort to the common law. The attorney general characterized the scheme as "tricky" and "an offense against common decency."

He charges that service company adjusters make settlements of claims for sums that represent a small fraction of the amount that would have been granted under the compensation act. Injured employees cannot go to the industrial accident board for relief.

Assistant Attorney-General Goldman has been investigating the service companies with the aid of Joseph Bear, compensation lawyer for the Boston Legal Aid Society.

Commissioner Harrington of Massachusetts in addressing the annual meeting of the Massachusetts Association of Insurance Agents in Springfield mentioned the situation.

"I am disturbed," he declared, "about
(CONTINUED ON PAGE 31)

Texas State Fund Threat Allayed

Governor Allred's Representative Urges Correction of "Glaring Injustices"

DALLAS—The state compensation fund threat in Texas has failed to materialize. In reporting on his three month study which he made at Governor Allred's request, K. E. Ashburn, Texas Technological College professor of economics, told the state federation of labor convention in Beaumont that "glaring social injustices and deficiencies" in the Texas compensation law should be remedied. He outlined a number of corrections necessary "if we are to keep our present private carrier system." When Mr. Ashburn started his study of the compensation situation he sent out a questionnaire to employers which created much speculation on the consequence, especially in relation to a possible recommendation for a state fund.

Mr. Ashburn's corrective program follows:

"1. Provide that workmen's compensation be compulsory for all public and private employments, with elective coverage only for agriculture and domestic service.

"2. Provide for coverage of occupational diseases, at least for silicosis, skin diseases and occupational diseases arising out of the breathing of paint and gas fumes.

"3. Provide for self-insurance, subject to adequate rules and regulations.

"4. Provide for adequate funds for the administration of workmen's compensation. At present, the state appropriation for the industrial accident board and the casualty insurance division, especially the former, are grossly inadequate. The industrial accident board must have in its exclusive employment more technicians and experts.

"5. Provide that the industrial accident board have continuing jurisdiction over medical services beyond the 28-day period, subject to certain conditions.

"6. Provide that the decisions of the industrial accident board be final as to fact or what will approximate this. The last three years about three-fourths of the cases heard by the board have been appealed to the courts.

"7. Provide that the administrative work of the industrial accident board be decentralized by the establishment of a system of referees. This would improve vastly the quality of administration of workmen's compensation.

"8. Substantially raise the general requirements of companies writing workmen's compensation insurance and provide for adequate and effective regulation of the capital, reserves, investments, examination and expenses of the companies.

"9. Provide for a liquidation fund to take care of injured claimants in case of failure of an insurance company writing workmen's compensation insurance.

"10. Provide for adequate safety laws

Automobile Rates Are Demoralized

Tennessee Agents Hold Meeting to Discuss the Situation

NASHVILLE, TENN.—W. S. Keese, Jr., of Chattanooga, chairman of the casualty committee of the Tennessee Association of Insurance Agents and its immediate past president, called in some 30 or 35 large casualty writers in the state to meet him in this city to talk over the increasingly alarming situation in Tennessee with regard to automobile public liability and property damage rates. The two questions that came before the meeting were the present automobile rates and, second, the occupational disease amendment to the workmen's compensation law that undoubtedly will be presented at the next legislature.

The agents, for the nonce, are particularly interested in the automobile situation. The safe driver reward plan seemingly injected into the picture competition that is resulting in rate cutting throughout the state. Some of the non-bureau companies are trying to offset the safe driver reward plan by cutting rates 15 percent at the inception of the policy and in some cases the reduction goes much higher. The Tennessee Association of Insurance Agents is merely taking the position that it is on guard to serve the majority of the agents in the right way. The committee is endeavoring to ascertain which is the just and logical path to pursue. Out of this conference there came expressions of opinion and then the casualty committee held a meeting the next day to formulate a program.

It had found that in various parts of the state there are agents that have built up a choice automobile business based on manual rates and today it is being dismantled by outside companies. They are very aggressive. A number of agents seeing that their automobile business is being ruined have endeavored to protect it by brokering it with non-bureau companies. The danger, as the state association officials see it, is that the automobile business is very rapidly going to companies that are cutting the rates which they feel will be very detrimental to the agency force.

and their effective supervision. Accident prevention is cheaper and better than compensation.

"11. Provide for a substantial reduction of attorney's fees in workmen's compensation and their dependents. In the main the benefit scale in Texas is too low and as to some features much too low.

"12. Provide for a substantial reduction of attorney's fees in workmen's compensation cases. When a case is appealed from the industrial accident board's decision to the courts, the attorney is now allowed up to one-third of the recovery, and the maximum fee is the rule. Such a large fee is excessive in workmen's compensation cases.

"13. Provide for a second injury fund for workers."

N. Y. State Health Proposal Is Held a Needless Burden

Brokers Told More Contributions Needed for Food, Clothing and Shelter

NEW YORK—The evils that would result from the state health insurance provision in the proposed social welfare amendment to the New York state constitution so far outweigh the beneficial features that the amendment should be defeated at the Nov. 8 election, S. P. Gilman declared at the annual banquet of the General Brokers Association of New York. Mr. Gilman is special counsel of the New York Fire Insurance Exchange and general counsel of the New York Board of Trade.

Other speakers were Superintendent Pink of the New York department, G. F. Sullivan, association president, and Julian Lucas, president of Davis, Dorland & Co., to whom Mr. Sullivan presented the association medal for outstanding service to the brokerage business. Judge A. C. Conway was toastmaster. He was introduced by Nathan Greenbaum.

Burden Unjustified

Mr. Gilman attacked the proposal for state health insurance not only from the insurance point of view but from the general public's standpoint. He said that in Europe, and particularly in England, Scotland, Wales, and France, state health plans had proven unsatisfactory and that everywhere compulsory health insurance has been tried the result has been a costly tax on the poor man out of proportion to the benefits received.

Workers in the lower income group, Mr. Gilman said, need more money to buy such necessities as food, shelter and clothing rather than to pay for medical service which is only used by a comparatively few. As these plans work out, the result is to impose a tax on the poor to support the health insurance system and deprive the poor to that extent of the necessities of life which they might otherwise buy.

Death, Illness Uncurbed

Mr. Gilman pointed out that in companies which have experimented with compulsory state health insurance both the death rate and the illness rate have increased and the cost of the benefits have far exceeded the estimates, and have given rise to movements to have the benefits greatly restricted or altogether abolished. He observed that in the United States where there is no such thing as state health insurance the death and illness rates are remarkably good.

It is unfortunate, the speaker said, that the state health insurance proposal, with all its drawbacks, is coupled in the amendment with a number of desirable measures, so that the electorate has no

(CONTINUED ON PAGE 31)

Raps Bar Monopoly of Adjusting Work

Beneath Dignity and Integrity of Profession, Peoria Attorney Says

Attorney C. W. Heyl of Peoria, Ill., voiced the opinion that it is beneath the dignity and integrity of the bar to insist that its members be given a monopoly of all adjustment services, in addressing the Casualty Adjusters Association of Chicago. Mr. Heyl is a past president of the Illinois State Bar Association and of the Peoria Bar Association. He specializes in the defense of insurance causes, maintaining a complete adjustment service in connection with his office.

If the famous decision that was handed down by the lower court in Missouri in regard to the work of lay adjusters is followed by other courts, according to Mr. Heyl, it will have a far reaching effect upon many laymen now engaged in claim work as salaried employees. They will be deprived of their livelihood. The rights of the public will be seriously affected and there will be an increase in the cost of adjusting claims which will be reflected in an increase in premium rates.

Insurers Don't Quibble

Generally speaking, according to Mr. Heyl, insurance companies do not quibble over fine points of law in adjusting claims. Accordingly they have won the public confidence. If all claims must be settled by lawyers, there may be a tendency to more litigation, he declared. That in time would destroy the good will of the public for the business.

During the time that the controversy as to the rights of lay adjusters has increased in intensity, there has been practically no complaint as to the character of the service rendered by insurers. No real argument has been advanced to prove that the lawyers, if given a monopoly of adjustments, would improve the service and reduce the cost. There has been no proof that the public would be better served. The matter narrows down to a demand by the bar for a legalized monopoly of the functions of a business which is only quasi-legal in its nature.

The legal profession, he said, does not propose to offer services of those who have had special training for adjustment work.

"The simple demand is," Mr. Heyl stated, "We alone have a right to do this work because we have a license to practice law."

No Training in Schools

In the law schools, he said, there is but meager instruction as to insurance. Neither in Illinois nor in most other states are applicants for admission to the bar required to be examined on insurance or insurance law.

"The adjuster does exactly the same thing in handling nine out of ten claims in behalf of his employer that lay employees in almost every type of business do in the regular routine of business," Mr. Heyl declared.

If the bar, he said, can establish a monopoly insofar as insurance adjustments are concerned, a principle will be set up that will enable the bar to go much farther in other lines of business.

In ordinary business transactions, he pointed out, the employer or his employees adjust disputes and claims against the business without the aid of a lawyer. The lawyer is called upon after the parties have reached the point where no adjustment is possible. Although there has been a big increase in the number of lawyers there would not be enough of them to go around if a situation were created whereunder all types of commercial activity were subjected to legal monopoly.

Mr. Heyl said that he agrees with

Motor Endorsement Covering Carriers of Property for Hire

NEW YORK—Members of the National Bureau of Casualty & Surety Underwriters have been furnished copies of the endorsement for attachment to all policies covering motor carriers of property for hire, in accord with the rules of the Public Service Commission of New York, which becomes operative Nov. 1, together with copies of the certificates that must be filed with the commission in the same connection. The endorsement, it is pointed out, is virtually the same as that used by the Interstate Commerce Commission in relation to coverage on interstate trucking concerns. Attention is directed to the fact that "inasmuch as the prescribed endorsement contains the blanket coverage feature, which obligates a company to afford coverage for hired and substituted equipment, it is advisable to attach a premium computation endorsement as well as a hired car endorsement to contemplate this situation. Also the law is read into the policy by the attachment of the prescribed endorsement, but this condition is alleviated by the inclusion of a reimbursement provision."

The rates are those heretofore charged as given in the manual.

Auto Committee Meets

ST. PAUL—The advisory committee on automobile rates for Minnesota was scheduled to meet here late this week. Although members had hoped to complete their work at the meeting and report findings to Commissioner Yetka, there was no certainty this would be accomplished. It is understood there are still several points to be ironed out before the report is ready. The committee of company men was appointed last spring by Yetka to adjust what he considered inequalities in the auto rate setup. A large staff of WPA workers has been assisting in the fact finding work.

the decision of the Missouri court that a lay adjuster is practicing law if he appears before the workmen's compensation commission and if he advises an assured of his legal rights.

It is the implied right of the employee of any corporation or other business institution, according to Mr. Heyl, to perform all the routine functions incidental to that business and thereby not invade the realm of practicing law "without the courts." A layman cannot appear for another, or for his own corporation, in any judicial proceeding.

The Missouri court limited the right of the lay adjuster, in determining the damage, to an appraisal of the damage to physical property where liability is undisputed. That would seriously interfere with the operations of the lay independent adjuster and Mr. Heyl said that he disagrees with the conclusion of the court. Mr. Heyl said that there are cases of unscrupulous activity on the part of adjusters and also cases where lay adjusters have definitely engaged in the practice of law. The insurance company should seek to eradicate these practices. Adjusters should not be condemned as a class because there are some who are unfit to practice. There should be a code of professional ethics to which all lay adjusters should be required to conform, he said. A reputable adjuster should be anxious to censure and punish the unworthy. The bar, he said, should take note that further efforts to force the services of lawyers upon the public will result in a general outcry against it.

C. J. Meddis, 82, retired member of the old Louisville insurance firm of O'Reilly & Meddis, now known as the Mellmann-Hennessy Agency, died there.

Safe Driver Medallion of Aetna Casualty



Above is shown the obverse side of the bronze safe driver medallion to be presented to all automobile liability insurance policyholders of the Aetna Casualty who qualify for the safe driver reward. The reverse side of each medallion is appropriately inscribed, "Awarded for Safe Driving Record—Aetna Casualty & Surety Company" and has the dates "1938—1939" inscribed in a special chevron design. Each medallion is equipped with a chain to which the policyholder's automobile key can be attached.

Hartford Steam Boiler Announces Rate Changes

The Hartford Steam Boiler will slightly increase rates under the boiler and pressure vessel schedule November 1 with respect to smaller size vessels such as air and water tanks and other similar type objects. Furnace explosion rates will be reduced with respect to residences as well as industrial boilers. Under the machinery manual changes have been made in the boiler and machinery rating and for the first time coinsurance employed upon objects requiring the objects limit rate. Assured is given the choice of 80, 50, 25 and 10 percent coinsurance. Direct damage rates have been increased on direct refrigerating and compressing machines. Indirect coverages such as U. & O., consequential, etc., will not be affected.

Oklahoma Auto Rates Cut

OKLAHOMA CITY—The state insurance board has approved the filing of the National Bureau of Casualty & Surety Underwriters and the Mutual Casualty Insurance Rating Bureau on private passenger automobile liability and property damage rates and rates on commercial automobiles and garage liability, effective Nov. 1. The general readjustment of rates means an over-all reduction of from 3 to 5 percent on Class 4 cars for public liability. In Oklahoma City the public liability and property damage rate was lowered from \$38 to \$36 on small cars and from \$46 to \$44 on large cars. Readjustments in other cities and towns of the state for small cars are: Tulsa, \$48 to \$46; Muskogee, \$35 to \$34; remainder of state \$31 to \$30. For large cars: Tulsa, \$58 to \$55; remainder of state \$45 to \$43. For commercial cars, Oklahoma City, \$68 to \$60; Tulsa, \$57 to \$54; Muskogee \$52 to \$51; remainder of state, \$41 to \$39.

L. P. Matthews, Jr., Weds

L. P. Matthews, Jr., assistant agency supervisor National Casualty, Detroit, was married to Miss Dorcas L. Griffin in New York City.

New Glass Hazards, Factors in Volume Decrease Reviewed

SAN FRANCISCO—"Plate Glass Insurance Possibilities" were considered by Robert L. Mannon, assistant chief underwriter Fireman's Fund Indemnity, before the San Francisco Casualty Underwriters Club. Approximately 76 percent of the plate glass manufactured is used for automobiles, 12 percent for mirrors and 12 percent by the construction industry.

Recent developments have created several undesirable glass risks such as bars and cafes, particularly those situated in the poorer districts. The so-called invisible show windows present a particularly hazardous type of risk because of the expense of replacement. Motor car show rooms have always been considered undesirable risks, particularly where out-size plates are involved.

Refrigeration Displays Undesirable

The modern type of refrigerator display cases where insulation is provided by three separate sheets of plate are also undesirable, he said. Glass bricks are an innovation with which the underwriter has to reckon. In considering the cost of installation, care should be taken to include the cost of labor and to determine whether the replacement may not cost even more than the original installation, said Mr. Mannon.

He urged the underwriters to scrutinize the applications to determine that they are not being subjected to the present trend of insuring the larger plates only. This selective coverage eliminates much of the "sweetening" on which the average rates were based and is a trend which should be combated, he said. Residence blanket coverage should also be watched and a few questions in advance may be the means of saving mutual embarrassment later if a break occurs on glass having an individual value in excess of \$50.

The value of accurate measurements was stressed by Mr. Mannon. Replacement facilities available where unusual large-size plates are involved should be checked.

Premium Volume Down

The plate glass situation is not encouraging. The 1927 high water mark of \$17,174,000 in premiums has dwindled to \$11,500,000. The bureau companies now control approximately 64 percent of the volume as against only 52.6 percent in 1929. The premium decrease is due to repeated reduction in rates, self insurance brought on by economic conditions, introduction of the 50/50 or retention type of policy, racketeering in larger cities, comprehensive automobile coverage, and chaotic market condition due to cutthroat competition.

The loss ratio is not excessive, being approximately 2 percent less than the permissible maximum of 42.3 percent, said Mr. Mannon.

"The way to rebuild premium income is not by higher rates but rather that we must sell more of the insuring public on the necessity and convenience of glass insurance," said Mr. Mannon. It is estimated that only 35 percent of the insurable commercial glass is protected. Only 31,500 residence plate glass policies were in effect in 1937. While the national average glass premium may only be between \$20 and \$25 it affords the agent a chance to make high commissions. He urged the coverage of neon signs and stained glass windows which are now in the undisputed field of the casualty underwriter.

Hook Up Safety, Insurance Cost

MINNEAPOLIS—The relation of safety to cost of insurance was one of the topics discussed at the annual meeting of the Minnesota State Automobile Association Oct. 21. This discussion was led by Ward F. Senn of the Pioneer Insurance Agency, Minneapolis.

Urge Adjusters Have 'Healthy Skepticism'

Frank M. Parrish Speaks Before Casualty Adjusters Association of Chicago

Stock companies and mutuals may differ widely on many subjects but in the fraudulent claim field their views converge, said Frank M. Parrish, general solicitor Association of Casualty & Surety Executives, New York, in speaking before the Casualty Adjusters Association of Chicago.

Work in the field of fraudulent claims must be carried on consistently and not sporadically, he said. Not all claims should be viewed as fraudulent but the adjuster must have what he terms a "healthy skepticism." He should have a keen sense of balance and through close observation and experience be able to separate the just from the unjust. The public's opinion as to the service of adjusters and their desire to do the right thing in the prompt settlement of just claims should not be shaken by unwarranted or improper acts on the part of adjusters, he said. Mr. Parrish humorously quoted the phrase by Mark Twain, "The insurance adjuster is a man who stands between the claimant and sudden riches."

Activities of Claims Bureau

Mr. Parrish explained the activities of the claims bureau of the Association of Casualty & Surety Executives and the valuable service performed in furnishing information as to fraudulent claim repeaters. This work had formerly been carried on by the National Bureau of Casualty & Surety Underwriters until a few years ago. The National Bureau now confines itself exclusively to rate making. The importance and value of the claims bureau, he said, depends on prompt reporting of cases by companies and the accuracy of the information submitted. An important function of the claims bureau was the setting up of a nationwide index bureau, available to all claim interests—stock, mutual, reciprocal, self-insurers, and others interested. The index bureau, he said, was instituted shortly after the inception of the claim department and quickly began to show results as a means of checking legitimacy and illegitimacy of claims. Bureaus are maintained in New York, Cleveland, Atlanta, Dallas, St. Paul, St. Louis and San Francisco, a branch of the latter recently being established at Los Angeles. The bureau furnishes bulletins to subscribers and cooperates with the local bar and medical association. Much is being done by the bureau to protect the rights of the adjuster in the bar-adjuster controversy, he said.

James J. Hermann Presides

James J. Hermann, independent adjuster and vice-president of the association, presided in the place of President Hugh C. Dillon of the Chicago Motor Club, who is in Oklahoma. Mr. Hermann commended the work performed by the claims bureau and also that of the Mutual Information Bureau in Chicago, which has been established, more than 25 years. The latter organization was started for those outside the scope of the National bureau and takes in many interests not affiliated with the insurance business. The Mutual Information Bureau has over 75 members, the index bureau of the National bureau, 64.

Peter J. Angsten, chairman Illinois industrial commission, spoke of the work being carried on by the commission in combating fake claimants. He said formerly companies did not feel disposed to send their assured to the industrial commission office due to practices being carried on by unscrupulous attorneys and doctors in and about the building in which the commission is

Arthur Grose Put in Charge of Publicity



ARTHUR D. GROSE

R. C. Dreher, advertising manager of the Boston, who is president of the Insurance Advertising Conference, announces that A. D. Grose, superintendent of the publicity department of the Employers Liability group, has been placed in charge of publicity for the I. A. C. His duties will include the publication of the I. A. C. bulletin.

Mr. Grose attended the University of Rochester and Tufts College. He left Tufts to enter the advertising agency of the late John Buchanan, who specialized in insurance accounts. While there he was a free lance writer on insurance publications, including the Boston "Transcript," the Boston "Globe," the New York "Journal of Commerce," etc. In 1926 he became associated with the Employers Liability group, which was one of the accounts handled by the Buchanan agency.

housed. The situation, he said, has been corrected. Mr. Angsten offered the assistance of the commission regarding a situation at the Cook county hospital, a subject previously discussed at the meeting, in that the hospital refused to allow insurance representatives to inspect its records or have an examination of patients unless the interested companies signed an agreement that they would pay the hospital bill for medical services, care and maintenance.

Urges Thorough Investigation

R. J. McCallum, a field supervisor of the index bureau system in New York, said that although the information supplied by the bureau could not take the place of a thorough investigation it often furnished valuable leads. W. I. Conway, index bureau representative in Chicago, was introduced. James A. Brown, assistant Cook county state's attorney, corrected a statement made by Mr. Parrish that a company must have an iron-clad case before it is referred to either state or federal authorities. Mr. Brown requested companies to make free use of his office, regardless of how incomplete evidence might be. Cases coming to his office, he said, run heavy for a time and the insurance company is then not heard from again for some time. Too many companies, he stated, have been willing to settle rather than combat questionable claims. Many claims coming at one time are generally indicative of easy settlements. The settlement of one fraudulent claim will bring ten in its place. News spreads quickly, he said.

Other speakers at the meeting included Clarence W. Heyl, attorney at Peoria, Ill., and past president of the Illinois Bar Association; Fred C. Payne

Car & General Now to Write Surety, Personal Accident

NEW YORK—Car & General has been authorized by the New York department to issue fidelity and surety bonds and personal accident policies in addition to the casualty lines for which it has been authorized in the past. The management intends to start writing the new classes soon.

Since assuming the United States management of Car & General, which is a subsidiary of Royal Exchange of which he is likewise the chief representative in this country, E. W. Elwell has carefully pruned the business so that a substantial underwriting profit was made in 1937 and another good year is in prospect. Its premium income this year will show an increase of approximately 25 percent over that of the preceding 12 months.

Travelers Staff Men Lecture on Safety

Two members of the home office staff of the Travelers have been selected to lecture on safety engineering and inspection in new courses being conducted by institutions of higher education.

H. W. Heinrich, assistant superintendent of engineering and inspection division, lectures Oct. 27, in the new course on safety engineering and industrial hygiene instituted at Johns Hopkins University in Baltimore on "Definition of Accident and Accident Cause." Two weeks previous Mr. Heinrich spoke at the silver jubilee safety congress in Chicago, on "Accident Costs in Construction Industry."

F. R. Kroener of the inspection division of the Travelers Fire, addressed a large number of students enrolled in the newly established course in insurance at Connecticut State College in Storrs, Conn. His lecture pertained to the effects of inspections on fire insurance rates.

Luncheon for H. K. Philips

NEW YORK — Representatives of the insurance press were luncheon guests of C. W. Fairchild, general manager of the Association of Casualty & Surety Executives Monday, the purpose being to afford the newspaper men opportunity to become better acquainted with H. K. Philips, recently appointed director of the publicity department of the organization. The association, Mr. Fairchild said, appreciated the importance of the work assigned Mr. Philips and would extend him every aid in making it effective. Assistant General Manager Ray Murphy, who was familiar with Mr. Philips' previous experience in publicity activities, outlined the high spots in his career in such connection. Mr. Philips gave a brief talk.

of the Chicago Surface Lines, president of the Mutual Information Bureau; Charles Ruttle, claim manager Continental Casualty; Harold Rutherford, claim manager Hartford Accident; Thomas Coen, vice-president Security Mutual Casualty; Howard Ehler, claim manager American Automobile, and M. J. O'Brien, attorney, all from Chicago.

Members of the nominating committee appointed in preparation for the annual election November 16, are: Messrs. Coen and O'Brien and Daniel Elliott, Bankers Indemnity. The speaker at the Nov. 16 meeting will be A. R. Peterson, Chicago attorney, who will discuss "Motion Pictures as Evidence."

Frank Drake has bought the Jack Kaufman local agency at Hitchcock, Okla.

Autonomy Asked for Chicago Branch

National Casualty Bureau to Consider Brokers' Association Request

A plea to set up autonomy for the Chicago branch of the National Bureau of Casualty & Surety Underwriters was before the executive committee of that organization at its meeting in New York this week. This issue, which has knocked around informally in Chicago for many years, was brought to a head by the Insurance Brokers Association of Illinois through its compensation and O. D. committee, headed by G. H. Anderson.

Mr. Anderson reported at the brokers annual meeting last week on his correspondence on this subject with E. E. Robinson, secretary of the National Bureau.

The brokers argue that on equity and class A ratings of compensation and liability risks the present bureau system, so far as Chicago is concerned is obsolete and inadequate; that it gives non-conference competition an edge because of delays inherent in attempting to rate at long range, and also frequently results in inconsistencies in rates.

Bureau's Contentment

For its part, the bureau, through Mr. Robinson, contends there are numerically few instances of the sort charged; that the expense of amplifying the office in Chicago would be considerable, and that there would be an overlapping of authority, especially on interstate risks.

The Chicago brokers are primarily interested in changing the method of handling intrastate risks, which they estimate make up about 95 percent of the cases handled there. It is possible an agreement could be reached for the Chicago branch to be autonomous so far as intrastate risks are concerned, and the interstate risks rated in the east as at present. That is the concession from the bureau towards which Chicago leaders are working.

In the correspondence, Mr. Anderson cited a risk which over a five-year period was rated by the National Bureau at \$2, increasing periodically until the \$7 rate was reached, when to meet competition the bureau again dropped the rate to \$2. He argued that inconsistent rate quotations are made, due to their being handled by different persons in the home offices and National Bureau who have a varying approach and a different judgment as to the risks.

Cites Varying Quotations

He cited the Austin underpass in Chicago which, he said, was quoted from the east at 25 cents, when work on all other underpasses in Chicago had been quoted uniformly at \$1. He also noted varying quotations on similar risks in the Century of Progress exposition in Chicago. In other instances, he said, it has been difficult to secure recognition of important factors in a risk which would justify reduction of rate to meet competition.

Disadvantages of having no local arrangements for speedy handling of class A rating and equity rating, the brokers contend, are that the National Bureau frequently demands additional information which causes delay. The application for special rating first must be sent to the company home office, from which it is forwarded to the National Bureau in New York.

They say that on special liability offerings such as conventions, shows, etc., the broker may have only a few days' notice, and he finds great difficulty in getting a rate back from the

east in time to have a chance at the risk. The non-bureau competition which is on the ground can give a quotation in a few hours and frequently gets the business.

The Chicago branch of the bureau, under Manager Peter Malah, at present does only experience rating, which the brokers often find inadequate to meet the situation. On the small risk around \$500 premium, the credibility factor given to experience is only a small fraction and only on risks running \$20,000 premium or more is the experience given full weight. These larger risks usually are targets and require special handling which cannot at present be done in Chicago.

Although retrospective rating of workmen's compensation is in force in Illinois, it also, according to the brokers, frequently does not meet the situation.

Would Cover Middle West

The project to give autonomy to the Chicago branch includes the proposal that the branch should handle the work throughout the middle west, including Wisconsin, Michigan, Indiana, Iowa, Minnesota and Missouri as well as Illinois. It would call for the branch to do equity and class A rating on compensation and liability risks and also special rating of automobile fleets.

The National Bureau's main argument against the move is that the organized casualty companies believe in centralization of their rate making. The San Francisco branch of the National Bureau under Manager R. E. Fay was made autonomous in June. The conditions there previously were reported to have been much similar to those in Chicago now. It is reported that the reconstituted branch has functioned well and the situation has been very largely cleared up.

The brokers' request is being given careful consideration by the membership, but no action has been taken. It likely will be reviewed when the executive committee meets in two or three weeks.

As to the brokers' complaint of lack of time in advising of rate changes, managers point out, producers usually know a month in advance of risk expiration dates, and have ample opportunity to furnish complete data as to lines. It is true the San Francisco branch was granted some latitude in autonomy last June as an experiment, but sufficient time has not yet elapsed to determine the wisdom of the move.

ASSOCIATIONS

McCamey Pittsburgh Speaker

PITTSBURGH—Harold E. McCamey of the law firm of Dickie, Robinson & McCamey will discuss recent developments in claims litigation at the monthly meeting of the Pittsburgh Casualty Claims Association Nov. 7.

Committees Are Named

PITTSBURGH—W. J. Zwinggi of Logue Brothers, president Surety Association of this city, has appointed a legislative committee headed by W. J. Murphy, Patterson Agency. A committee also was appointed to arrange for the Christmas party. The next monthly meeting will be held Nov. 8.

To Lecture on Underwriting

J. A. Swett, assistant secretary Bankers Indemnity, will lecture on "Underwriting" Nov. 1, covering automobile, compensation and liability, principles and office procedure, in the 20-week course which is being given by the company for its employees.

George H. Jones of Independence, Ia., has purchased the A. H. Brooks agency. Mr. Brooks died recently.

ACCIDENT AND HEALTH

Continental Casualty Educational Forum

NEW YORK—The Continental Casualty started its accident and health insurance educational forum. Vice-president F. N. Dull reviewed the history and financial structure of the company telling about it continuously being in the accident and health insurance field for 41 years. E. A. Hauschild, assistant secretary of the accident and health department, discussed the standard accident policy with medical reimbursement. He explained various combinations in which it might be sold and gave some practical applications of the coverage. F. T. Curran, production supervisor, injected some excellent sales arguments into his talk. The lectures are held at 5 p. m. at the company's office here, 75 Fulton street.

At the second of the series the main speaker was F. E. Muller, Jr., agency secretary of the accident and health department at the head office in Chicago. He explained the merits of the low cost accident policy the Continental Casualty has just placed on the market, pointing out its numerous appeals to modest salaried workers. Mr. Hauschild and Claim Manager Barter advanced sales suggestions.

General Accident Offers "Comprehensive" Policy

The new "comprehensive" disability policy of the General Accident includes indemnity for accidental death, dismemberment and other specified losses, medical reimbursement and loss of time by accident or illness in one contract. It pays five years for total accident disability for "his occupation," with one-half partial for six months; 12 months for confining illness (seven days elimination) and full indemnity for one month non-confining. Indemnity is limited to three months for tuberculosis, boils, felons or external abscesses. The first seven days can be covered under a rider for additional premium.

Dismemberment payments range from \$1,250 to \$5,000, without regard to amount of principal sum. Specific indemnities of \$12.50 to \$162.50 for amputations, fractures and dislocations, usually elective, are included in addition to monthly indemnity. The usual air travel provision is included. Ten days grace is allowed after policy has been in force two months. The limit on medical reimbursement for accidents is \$500. Hospital indemnity for illness is 50 percent additional for three months and one month for nurse. Annual premium for men, ages 18-50, class A, for \$100 monthly, \$1,000 principal sum and \$500 reimbursement, is \$43.80.

Form New Nebraska Company

Insurance Director Smrha of Nebraska has approved articles of incorporation of the Great American Health & Accident of Lincoln, an assessment company. Incorporators are G. C. Duling, H. M. Vosbrough, Anastacia, T. J. and M. T. McLaughlin, Dr. T. J. McCarthy, E. E. McNamara, B. E. Boyles and Ralph Odle.

New Hospitalization Form

The American Savings Life of Kansas City is issuing a new group hospitalization policy. For \$1 a month it provides \$6 a day for hospital room, \$15 x-ray, \$15 operating room, \$10 anesthetic, \$10 laboratory, \$10 medicine and \$5 ambulance. Contracts are also issued at 75 and 60 cents per month, with smaller benefits. There are policy fees of \$2.50, \$2 and \$1 for the three premium classifications. The premium for wife or adult dependent (unemployed) is the same, but with lower

benefits, and also for children, with still farther reductions in benefits. On female risks, maternity benefits are provided after 10 months, limited to seven days hospitalization.

MacRae Succeeds Mairs

BOSTON—George A. MacRae, with the Boston Casualty for some years as claim manager and a director, has been elected secretary and manager to succeed the late J. Kelso Mairs, founder, manager and secretary. H. V. Madden, with the company nine years, recently as treasurer, was elected a director and will direct the finance committee and claim manager duties. An executive committee was created to consist of President A. Scott Rowe, Mr. MacRae, Mr. Madden, Dr. J. P. Toomey and G. F. Glacy.

Conference Regional Meetings

Two regional meetings of the Health & Accident Underwriters Conference were held this week, in Detroit Tuesday and Columbus, O., Wednesday. Another is scheduled for Minneapolis Nov. 8.

The postoffice department has ordered the **Farm-Labor Benefit Association** of Council Bluffs, Ia., to show cause why it should not be barred from use of the mails to distribute health and life insurance certificates.

PERSONALS

George A. LaMair, retiring president Casualty & Surety Club of Des Moines, was presented an electric clock at the semi-monthly meeting by C. Moriarity, newly elected president, in behalf of the group.

W. L. Cavers, home office general manager of the Ocean Accident & Guarantee of London, arrived in New York City on the "Queen Mary" several days ago, planning a month's visit here. In company with Henry Collins, United States manager, he will stop at a number of the principal cities en route to and from the Pacific Coast.

A. Brindley, who recently was advanced to claim manager of the Hartford Accident's New York office, was honored at a dinner of the staff there. L. E. West, superintendent of automobile claims in the New York office, was toastmaster. H. A. Kearney, general manager in New York and G. T. Merrick, associate manager, gave talks, presenting Mr. Brindley a white onyx desk set on behalf of the staff. Clifford Eastmead, general manager of the Newark branch, and R. V. Spell, claims manager there, attended. Mr. Brindley started as clerk in the Hartford Accident's New York office 25 years ago.

John J. Igao, vice-president in charge of the burglary department of the Fidelity & Deposit and American Bonding, is on a three weeks trip in the middle west, holding meetings with a number of the production units.

L. H. Moorhead, president of the Associated Indemnity, has returned to his office in San Francisco following a tour of the southwest, visiting Dallas, Memphis, Oklahoma City, Wichita Falls, El Paso and other cities in that territory.

Of 11 newly elected officers of the Hartford Club, five are insurance men. The club, which is well known to insurance men who visit the city, has chosen W. E. Mallory, agency secretary of the Travelers, as its president. P. M. Fraser, vice-president Connecticut

Mutual Life, was elected a vice-president. The new board of governors includes W. L. Mooney, former Aetna Life vice-president; C. D. Rarey, comptroller of the Travelers, and C. W. Van Beynum, publicity manager of the Travelers.

J. F. Seinsheimer, president of the American Indemnity, was a visitor in Chicago, conferring with W. A. Coan, assistant manager in charge of the Chicago branch office.

H. B. Platt, 78, a vice-president of the Fidelity & Deposit from 1895 until his retirement in 1924, died at his home in New York. He was a son of United States Senator T. C. Platt of New York.

He was one of the pioneer surety men of the country, his connection with the F. & D. dating back to 1895, when he was elected a director. In 1896 Mr. Platt was elected a vice-president and placed in charge of its newly created New York department.

SURETY

Towner Bureau Now Has Research Unit

NEW YORK—A further progressive move on the part of the Towner Rating Bureau, conceived by Martin W. Lewis, its president, and endorsed by the directors, is the establishment of a division of research. W. K. Mendenhall, well known in financial circles as an analyst, is the manager. For the past 14 years Mr. Mendenhall has been connected with the Bankers Trust Company, which loaned his services to the Federal Deposit Insurance Corporation 1937-38, as fidelity bond consultant.

The purpose of the department is to collate and analyze monetary losses and the causes, with suggested remedies. It will tabulate and disseminate other information of value to business men, and, in general, seek to knit more closely, relations between insurers, agents, the bureau and the public.

Mr. Mendenhall was educated at the George School, Philadelphia; the University of Delaware and the Sorbonne in Paris. He is a director of the Risk Research Institute of this city, an organization of buyers of insurance, and served as a member of the joint committee of representatives of the Surety Association of America and the insurance committee of the American Bankers Association, a result of the conferences being the recently announced changes in Forms 2 and 8 of bankers blanket bonds.

Blanket Bond Rate Cut Means \$1,250,000 Saving

NEW YORK—By virtue of the reduction in bankers' blanket bond rates which became effective Oct. 3, insured financial institutions of the country will effect an annual saving in premiums of approximately \$1,250,000, or practically 10 percent of the aggregate premium income from the line which is between 11 and 12 million dollars. Many banks have elected to use the premium saving either to increase the amount of coverage or to convert their contracts to broader form.

San Diego Contract Awarded

W. P. Neil Co., Los Angeles, has been awarded the contract for the construction of the new naval supply depot at the San Diego naval base at a price of \$441,000. Hartford Accident wrote the bid bond and will be on the contract bond as soon as details can be worked out.



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CHANGES IN CASUALTY FIELD

Nickels Transferred to Hartford by U. S. F. & G.

PITTSBURGH — Herbert Nickels, for the last 2½ years assistant manager of the Pittsburgh office of the United States Fidelity & Guaranty, has been transferred to Hartford to take charge of the state claim department there. Augustus W. Lee has been transferred from Syracuse to become city supervisor here, replacing F. Paul Bland, transferred to Philadelphia.

Mr. Nickels was presented a traveling bag by A. C. Supplee, Pittsburgh manager, at a testimonial dinner given by members of the local staff, attended by more than 50 associates. Besides Mr. Supplee, speakers included J. C. Davies, retired employee of the office; Lee T. Sellars, judicial bond underwriter and news commentator on Station KQV, and Ella Minnis, secretary to D. S. Newman, superintendent of claims for the Pittsburgh office. Mr. Newman was toastmaster.

Mr. Nickels came here from the claim department of the home office in Baltimore, and prior to that was with the claim department in Buffalo. Mr. Lee is a son of Philip F. Lee, vice-president in charge of agency development of the U. S. F. & G.

B. D. Huesner Promoted

LOS ANGELES—B. D. Huesner, safety engineer of the Farmers Truck Exchange, affiliate of the Farmers Automobile Interinsurance Exchange, has been promoted to assistant manager of the exchange, assisting S. A. Simpson, vice-president and general manager, in his executive duties. He will be succeeded as safety engineer by E. C. Van

Horn, for the past 18 years in safety engineering work in Seattle.

Returns to Old Company

C. F. Stewart of Cleveland, manager of the Massachusetts Bonding, announces that Wesley F. Brewer has been appointed special agent for eastern Ohio with headquarters in the Citizens building at Cleveland. Mr. Brewer received his early casualty and surety training under W. J. Falvey, first vice-president of the Massachusetts Bonding, who is general manager of the New York office. Mr. Brewer served three years there before becoming associated with other companies. His latest assignment was manager of the service office for the United States Fidelity & Guaranty at Dayton, O.

Chicago Branch to Move

The Chicago branch service office of the American Casualty under direction of E. W. Morse, manager, will move Nov. 1 into much larger quarters in A-1846 Insurance Exchange. R. H. Moore has been appointed special agent to travel out of the office. Formerly for four years he was special agent of the Illinois National Casualty, and he has had eight years' insurance experience.

Sherman in Minnesota Field

Glens Falls Indemnity transferred Arthur W. Sherman from the headquarters of its central department in Chicago to act as special representative for Minnesota and a portion of northern Wisconsin. He received his training in the home office prior to his work with the central department. He will make his headquarters at 414 National building, Minneapolis.

Harry Hart, who formerly handled

this territory, has resigned to join Commercial Underwriters of LaCrosse, Wis., local agents for Glens Falls and Glens Falls Indemnity.

U. S. F. & G. Transfers Announced

Several transfers have been announced by the United States Fidelity & Guaranty. H. L. Young has been shifted from district supervisor in Tennessee to city supervisor in Atlanta. Karl Burgess, superintendent of the Atlanta office, has succeeded Mr. Young, and Brent Wood, claims superintendent of the Syracuse office, has been made city supervisor there.

Opens Cleveland Office

The Home Indemnity has opened a service office in the Leader building, Cleveland, with W. L. Read in charge as assistant manager. He formerly was with the Bankers Indemnity at Cleveland. He is a graduate of Ohio State University and has been engaged in the insurance business 12 years.

Standard Surety Accessions

NEW YORK—James A. Murphy has been appointed head of the burglary and plate glass department of the Standard Surety & Casualty. Washburn DeMotte will direct the agency department. Both have had excellent underwriting training. Mr. Murphy's prior association had been with the Phoenix Indemnity, while Mr. DeMotte was with the liability department of Chubb & Son.

Remington, Jr., with the Globe

H. K. Remington, Jr., has been put in charge of automobile liability underwriting at the Philadelphia office of the Globe Indemnity. He has been assistant manager of the National Bureau of Casualty & Surety Underwriters in that city since April, 1935. He is a son of H. K. Remington, secretary of the Fidelity & Casualty. Young Remington is a graduate of the University of Pennsylvania.

Open Seattle Claim Office

The Seattle office of the Commercial and Metropolitan Casualty is being enlarged to provide for a claim department. W. E. Cundall, with the group for a number of years in the claim department of the Los Angeles office, is transferred to Seattle to head the newly organized department. He will be succeeded in the Los Angeles office by L. E. Wiedemann, who has been with the Aetna Life companies for the past eight years in the San Francisco Bay area.

T. E. Arnold, formerly of Wichita and Kansas City, is managing head of a new Nebraska corporation, **Independents' Service, Inc.**

Objects to Advertising

J. A. Brown, supervisor of licenses of the Illinois insurance department, has taken up with the Imperial Insurance Agency, Insurance Center building, Chicago, its advertising matter. This agency has been circulating local agents stating that it is "agent for one of the best Illinois compensation insurance companies," etc. Mr. Brown informs J. G. Ichenbaum of the agency that the files of the department do not indicate that any license has been issued to it for any company. He also states, "It is our opinion that in this type of advertising you have overworked superlatives and we are offering you this opportunity to explain this type of advertising."

Financial Responsibility Chart

The Association of Casualty & Surety Executives has just published in chart form an analysis of the main provisions of state laws on financial responsibility. The current issue of the chart is a revision of a previous edition, showing changes effected by the new statute and amendments to those previously in force. Copies of the chart will be furnished by the association at a nominal charge.

COMPANIES

Alexander Head of Allstate Companies

Gilbert Alexander has been elected president of Allstate and Allstate Fire of Chicago, Sears, Roebuck & Co. affiliates, succeeding Carl L. Odell, who is resigning. Mr. Alexander, who was formerly an Oak Park, Ill., banker, was elected chairman of the Allstate companies recently.

Mr. Odell is credited with having induced Sears, Roebuck & Co. to form a company to write automobile insurance. He has been a friend of Gen. R. E. Wood, president of Sears, Roebuck, and won Mr. Wood's support for the venture. The Allstate companies, apparently, have been successful. They have written automobile insurance at deviation and the Sears, Roebuck name has had pulling power.

Later Mr. Odell is credited with having induced Sears, Roebuck to organize a life company, known as Hercules Life, to reinsure the business of the old National Life U. S. A., after receivership. This venture proved to be a mistake. Hercules Life offered no rate advantage in comparison with other companies and Sears, Roebuck found that life insurance couldn't be sold through a catalogue.

Just after headquarters of the Allstate companies and Hercules were moved from the main plant of Sears, Roebuck & Co. to the Civic Opera building in the loop, the Sears, Roebuck directors decided to get rid of Hercules and reinsured it with Washington National of Evanston, Ill.

Before making his connection with Sears, Roebuck & Co., Mr. Odell operated in the Insurance Exchange, Chicago, as an agent and broker in the firm of Lloyd-Odell.

New Management Company for Virginia Surety

Underwriters Management Corporation has been organized to take over the management and to later acquire the controlling capital stock of the Virginia Surety of Roanoke, Va.

William C. Briddell heads the new management company and has taken charge of the office and business affairs of the Virginia Surety at Roanoke. He will also become a member of its board.

R. B. Gunn is to continue as president of Virginia Surety, C. T. Dudley is vice-president and R. E. Paine, secretary-treasurer.

These officers, together with Mr. Briddell and L. B. Davis, Dr. E. C. Watson and Holman Willis constitute the board of directors.

Virginia Surety intends to increase its writing of individual pleasure car business at manual rates.

REPORT ON EXAMINATION

RICHMOND, VA.—A report on an examination of the Virginia Surety by the Virginia department as of Aug. 31, 1938, shows that the company had surplus \$56,305, and admitted assets \$334,065. Capital of \$260,000 consisted of 2,500 shares of Class A preferred stock of \$100 par value and 10,000 shares of Class B common of par value of \$1. The company was incorporated in 1927 with authorized maximum capital of \$500,000 and minimum of \$250,000. The charter was amended last year, permitting the setting up of two classes of stock. Net premiums in 1937 were: Automobile liability, \$18,920; automobile property damage, \$5,730; fidelity, \$2,120; surety, \$19,959.

The report shows the company has a reinsurance agreement with London Lloyds on automobile liability and property damage. Lloyds also agrees to



When the Jury Votes "GUILTY"

(News Item)

\$20,000 AWARDED UNDER DRAM SHOP ACT FOR INJURIES

A \$20,000 judgment under the dram shop act was won today by a woman 55 years of age who was permanently injured in an automobile accident September 23, 1934. She had sued for \$50,000.

STRICT LAW

Under the terms of the dram shop act a tavern keeper may be held financially responsible for injuries done to any one by a person who has become intoxicated on liquor sold him in the keeper's tavern.

The Only Help Is INSURANCE

EVERY OWNER OF A BUILDING IN WHICH LIQUOR IS SERVED, ALSO THE TAVERN KEEPER, MAY BE FOUND GUILTY AND COMPELLED TO PAY HEAVY DAMAGES.

Insure Before The Jury Votes "GUILTY"

FOR PARTICULARS ADDRESS

A. F. SHAW & CO., INC.

CHICAGO — INSURANCE EXCHANGE — Phone WABash 1068

indemnify the company for losses in excess of 5/10,000 on automobile bodily injury up to the limits of 95/290,000.

It has a reinsurance agreement with Seaboard Surety on a facultative basis covering surety bonds only. In addition, reinsurance is placed on a facultative basis with the Aetna Casualty, Ocean Accident and Excess on fidelity and surety.

Allied Mortgage Bonds Will Now Be Retired

BALTIMORE—At a meeting of the directors of the United States Fidelity & Guaranty, it was decided to place its subsidiary, Allied Mortgage Companies, in position to call in for retirement, at par, plus accrued interest, Dec. 1, which is the next interest date, the entire remaining outstanding issue of bonds, amounting to \$3,162,000. These bonds

were issued by the Allied Mortgage, as part of an issue of \$55,977,000 on Dec. 1, 1933, payable Dec. 1, 1953, and were guaranteed as to principal and interest by the U. S. F. & G.

Of the original issue, the mortgage company already has retired \$2,815,000 through the liquidation of a portion of the collateral security. It is understood that no action is contemplated with reference to the debentures issued by the Associated Mortgage with respect to which the U. S. F. & G. has only a contingent liability for the payment of interest thereon.

Pennsylvania Casualty Report

The Pennsylvania department report on the Pennsylvania Casualty of Lancaster, Pa., as of July 1 shows assets \$938,529, premium reserve \$356,386, claim reserve \$200,700, capital \$200,000, net surplus \$100,693, income first six months \$656,903, disbursements \$227,429.

WORKMEN'S COMPENSATION

Revise Rejected Risk Plan in New Jersey

A revised rejected risk plan for workmen's compensation was adopted by the Compensation Rating & Inspection Bureau of New Jersey and approved by the insurance department, effective Nov. 1. Basic principles were not modified but attempt was made to correct defects discovered since the plan went in effect in April, 1932.

The revised plan is applicable to all employers entitled to compensation who are unable to obtain protection and have not failed to pay their compensation premiums in the last three years. Written application must be made to the bureau accompanied by evidence of inability to obtain coverage, including written rejections by at least three qualified companies. The bureau then will designate a carrier and notify it and the employer. The risks will be distributed by the bureau among carriers on the basis of their compensation and employers' liability premium income in New Jersey, the assignments being governed by exclusions under reinsurance agreements, treaties or contracts filed by individual carriers. The companies may appeal for relief from an assignment but may not withhold or delay issuing policy pending appeal.

Rules Affecting Carriers

Carriers when designated must make available immediately to employers a policy effective not more than five days after date of assignment provided the employer pays the premium. If the premium is not paid within that time the company may withhold insurance until the day following payment. Policies will be issued for one year unless the employer requests a short term policy, and will be subject to rules, rates, minimum premiums and classifications in the manual.

An adequate rate agreement may be negotiated with the employer if the company considers the rates or minimum premiums inadequate. If employer and carrier cannot reach an agreement the company may ask hearing before the bureau's governing committee, the employer attending. Final power in approving rates in such cases rests with the committee.

If the insurance company wants to be relieved of an assigned risk it must notify the bureau not less than 60 days before expiration, when the bureau will assign a new carrier. If a company other than the one to which the risk was assigned desires to carry it, it may take over the liability at any time and the assigned carrier may cancel pro-rata. The company has the right to cancel with approval of the governing committee if unusual or unexpected cir-

cumstances occur. Default in payment of premium when due is deemed lack of good faith, and if a policy is canceled for this reason a risk will not again be assigned until the bureau is satisfied the employer is entitled to insurance.

Companies to belong to the bureau must file formal acceptance of the assigned risk plan, and also a record of classes of risks which are excluded by its reinsurance agreements, treaties or contracts.

Massachusetts Hearing Is Held on Compensation

BOSTON—The Massachusetts legislature's special recess commission investigating the workmen's compensation act with special reference to coverage for silicosis and other special hazards, held its opening hearing, which was taken up largely by representatives of labor. "A state fund for workmen's compensation to injured employees is inevitable" said Samuel Horowitz, counsel for the Massachusetts Federation of Labor on compensation matters. He declared state funds operate at a cost of 7 percent, while in Massachusetts the insurance companies are permitted an overhead of 61 percent and a loading factor of 67 percent.

Representative J. P. Donnelly of Lawrence assailed the "impartial" doctors hired by the industrial accident board to examine injured workmen. Too often, he said, they send in reports stating a man is able to return to work when mere observation shows the workman is unable to do a day's work.

Carl W. Johnson of a Boston industrial insurance research firm urged the passage of a compulsory workmen's compensation law in Massachusetts with a self-insurance provision. He suggested a plan for insurance companies to divide the risk so as to solve a "quasi-public problem to cover silicosis in the granite industry."

E. E. Clark, for seven years a member of the state industrial accident board, urged a provision so that insurance companies cannot disclaim responsibility for payment when the onset of the disease is in doubt and they have not carried the risk beyond that point.

Kenneth I. Taylor, legislative agent of the state federation of labor, claimed estimates showed injured workers get only 30 cents of the premium dollar. Mr. Taylor said insurance companies should be compelled to take the bad with the good risks. He stated the Massachusetts Federation of Labor will sponsor a state fund compensation bill in the next legislature.

L. P. Henry of the American Mutual Liability denied insurance companies discriminate against workers because of old age. He said the insurance problem in the granite industry could be solved by reducing the benefit to be obtained by the injured worker. He claimed there

YOUR CLIENTS AND PROSPECTS WANT THIS NEW POLICY

There's a lot of good business waiting for you among banks, financial institutions and commercial houses, because the new Destruction Policy, introduced by Indemnity, affords protection they need and could not get before. Form 1 covers damage to or destruction of money and securities; Form 2 covers Valuable Papers other than money and securities. Get the facts . . . then get the business.

CAPITAL \$1,000,000

CASUALTY
FIDELITY
SURETY



**Indemnity Insurance Company
of North America**

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.

was a doubt as to the constitutionality of the compulsory feature of the workmen's compensation law as proposed by the state federation of labor.

Nine Fund Auditors Await Trial

NEW YORK—During the four months that have elapsed since the investigation into alleged irregularities in the conduct of the State Insurance Fund has been under way, nine auditors of the organization have been arrested, charged with accepting bribes from employers for altering payroll records, and have been placed under heavy bail awaiting trial. Bernard Botein has been conducting the investigation vigorously.

Bureau Changes Made

NEW YORK—W. F. Roeber, general manager National Council on Compensation Insurance, announces the appointment of J. A. Denkscherz as manager of the Mountain States Compensation Rating Bureau, with headquarters at Denver, replacing R. P. Taylor, resigned. Mr. Denkscherz has been manager of the Kansas Compensation Rating Bureau for sometime, with earlier experience gained at the head office of the council here. As head of the Kansas bureau he is suc-

ceeded by T. C. Wolsoncroft, transferred from Birmingham, Ala., where he was with the Southeastern Compensation Rating Bureau.

Oklahoma Revokes Limit Rule

The excess employers liability limit that was made effective in Oklahoma April 15, 1938, was disapproved by the state insurance board and the return to the table in force prior to that date, on Page R-1 of the workmen's compensation and employers liability manual, whereby no upper limit is applicable, was ordered to become effective Nov. 1.

Review Minnesota Experience

NEW YORK—A. H. Kleffman, secretary and actuary of the Minnesota compensation insurance board, was recently in this city reviewing with representatives of the National Council on Compensation Insurance the Minnesota rate situation in advance of the promulgation of new tariffs.

RATE PROPOSALS DRAFTED

MINNEAPOLIS—The rating committee of the Minnesota compensation rating bureau met this week to draft rate proposals for the coming year. The meeting following the return from New York of J. F. Reynolds, general man-

ager of the bureau, and A. H. Kleffman, secretary of the Minnesota compensation insurance board, who conferred with national bureau officials.

The new rate proposals will be taken up at a hearing here Nov. 17.

Utah State Fund Report

SALT LAKE CITY—The biennial report of C. A. Caine, manager of the Utah state insurance fund, shows that in the fiscal year ending June 30, 1938, premiums were \$927,565 and claims paid \$687,133. Expenses were \$678,423 and \$117,657 paid as premium taxes. Assets are now \$1,592,381.

Says Law Needs Amending

The Maine workmen's compensation law should be amended so as to make coverage compulsory for small industries to which it does not now apply, J. W. Taylor, commissioner of labor and industry, declared before the Maine State Safety Conference at Portland.

Oppose Missouri Increase

KANSAS CITY—The Associated Industries of Missouri will "strongly oppose" substantial increases companies are proposing to ask in Missouri on occupational disease schedules, W. H. Semsrott, director of the organization's insurance and workmen's compensation bureau, told the insured buyers' conference here and in St. Joseph last week.

The general over-all reduction for basic manual compensation rates proposed is 2.8 percent, an average of 1 percent reduction in manufacturing, 6.4 percent in contracting and 1 percent in all others.

Expect New Michigan Rates

NEW YORK—The Michigan regional committee having completed its review of the experience in the state revised compensation rates will probably be promulgated at the beginning of the new year.

Tribute Paid J. F. Horton on His 35th Anniversary

DETROIT—More than 175 Aetna representatives from Michigan honored John F. Horton, state manager Aetna Casualty, at a banquet on his 35th anniversary with the companies. E. R. Moore, Moore & Wright, Port Huron, was toastmaster.

President M. B. Brainard praised Mr. Horton's services during his long career and reviewing his accomplishments. For 20 years Mr. Horton has been state manager for the Aetna Casualty and for the accident and liability divisions of the Aetna Life. He made his headquarters originally in Lansing, later in Grand Rapids and finally in Detroit.

Commissioner Gauss added the felicitations of the insurance department; B. G. Starke, St. Joseph agent, spoke for the agents; H. K. Schoch, Aetna Life general agent in Detroit, spoke for the local life division; H. W. Florer, life general agent in Grand Rapids, represented the Grand Rapids office and H. J. Crowder, assistant manager of the Aetna Casualty for Michigan, extended the tribute of the Michigan organization. Zelin Goodell, Dyer-Jennison-Barry Co., Lansing, chairman of the arrangements committee, presented an engraved watch as a token of the esteem in which Mr. Horton is held by his agency plant.

Aetna managers and general agents from Michigan and northern Ohio entertained President Brainard at a luncheon at Dearborn Inn followed by a visit to Henry Ford's Greenfield Village. Mr. Brainard showed great interest in Mr. Ford's antiquarian collection since he himself is a collector of old tavern signs, and has one of the finest collections of this type in the world today.

New York Sets Truck Deadline

NEW YORK—Insurance requirements of the New York state public service commission must be met by common and contract motor truck carriers and brokers by Nov. 1, and a corporate bond or a policy or certificate of insurance must be filed. The minimum insurance requirements are \$5,000/10,000 bodily injury liability, \$1,000 property damage, \$1,000 insurance on the property carried in the vehicle.

Brokers must supply either a corporate bond or an insurance policy for a minimum of \$5,000, "insuring their financial responsibility and the supplying of authorized transportation in accordance with contracts, agreements or arrangements therefor."

Rates for Coverage

The Towner Bureau's rate on brokers' bonds is \$12.50 per \$1,000. Rates for the required vehicle coverage, \$5,000/10,000 limits, are \$10 per \$1,000. Where applicants have over \$250,000 of motor vehicle bonds concurrently outstanding or where the applicants are subsidiary to or affiliated with a parent company from which the surety secures its general indemnity, these rates apply, "provided all bonds are in one state": first \$250,000, 1 percent; next \$250,000, .75 percent; over \$500,000, .5 percent. No added charge is imposed for property damage and cargo liability.

Illinois Truck Bill Is Ready for Enactment

After more than a year of investigation on trucking operations during which time 42 public hearings were held, the uniform motor vehicle laws commission of Illinois will present at the coming session of legislature the results of its findings in an effort to enact an Illinois truck law. Senator L. J. Menges, chairman of the commission, states that trucks must be controlled to reduce accidents upon highways and to provide means of insuring compensation for injured persons when an accident occurs. Over 300,000 men are employed as drivers and helpers on more than 200,000 trucks licensed in Illinois.

The commission states that many evils which have developed with the trucking industry can be controlled by the proper type of supervision and at the same time preserving the advantages and benefits of trucking transportation. Other forms of transportation have been carefully studied with the view of insuring fair competition in the interests of all industries and citizens of the state, Senator Menges stated.

Bankers Are Satisfied with Present Rate Setup

NEW YORK—With the approach of the American Bankers Association's annual convention in Houston Nov. 14-17, points of controversy on forms and rates between bankers and surety and casualty men are at a minimum. In a report to association members, J. E. Baum, secretary of the bankers' insurance committee, expressed satisfaction over the present insurance situation. He said that the new bankers' blanket bond rates represent a substantial savings for banks.

"For banks having less than 26 employees, the reductions will aggregate \$825,000 annually, while the larger banks will benefit to the extent of \$475,000," said Mr. Baum. "These latest reductions supplement the decrease of \$1,200,000 granted in July, 1937. Barring an increase in forgery losses or other unfavorable developments, the outlook is promising for a graduated downward revision of the present scale of forgery insurance premiums," he said. Mr. Baum estimates the new individual and schedule fidelity bond rates will save smaller banks about \$90,000.



"Young Fellow—"

"Like every other insurance agent, you want to build up your clientele in this community and increase your agency's sales year after year for the years to come.

"My experience in the insurance business has taught me many things about selling. One of the most important is to represent a nationally known, financially sound company. Second, the company should have a complete coast-to-coast claim service available day and night to policyholders. For the third point, represent a company that can SAFELY save money for policyholders on their Automobile insurance cost.

"Where can you find such a company? Why not write the American Motorists? It offers fine agency cooperation and AMICO'S unquestionable security, efficient claim service and substantial savings to policyholders are known to motorists everywhere. Ask for details of the agency franchise for your community—see what they have to offer you and use your own judgment—you won't find a better company anywhere—your first year's sales will prove that."

AMERICAN MOTORISTS INSURANCE COMPANY

DIVISION OF KEMPER INSURANCE

4750 SHERIDAN ROAD

CHICAGO, ILL.

N. Y. State Health Proposal Is Held a Needless Burden

(CONTINUED FROM PAGE 23)

choice but to accept all the amendment's provisions or reject them all. Under the circumstances, however, the only safe course is to vote against the amendment and wait until some future election for separate enactment of the desirable features now included in the proposal, he said.

President Sullivan Speaks

President Sullivan reviewed the year's activities touching on the commission question involved in the safe-driver reward plan. Mr. Sullivan said that there is a school of thought in the casualty field which would "deny adequate compensation to us."

"The fact that their efforts are misguided and would result possibly in disaster to their stockholders and policyholders fails to make any impression whatsoever upon them. Happily, however, they are in the minority, but unfortunately they are a powerful and determined group. When their aims and purposes cannot be accomplished directly they endeavor to secure them by indirection. All of us, I am sure, recognize that any company or groups of companies have a perfect right to determine what compensation they shall pay to their agents or to brokers who will accept it."

"I deny, however, that under the American form of government that such companies or groups have the right to force their ideas and wishes on all companies and all brokers or agents either through government or by means of coercive combines. The legislature and the courts have invariably indicated their belief that the insurance broker should not be obstructed in the performance of his duties to the public. They want him free to render impartial and professional service to his clients. I think, therefore, that there can be no question but what our profession must unitedly militantly resist any and all such efforts."

"Less Government Interference"

Mr. Sullivan called for continued efforts to combat government interference in private business. He said that a fair comparison between the record of governments and private insurance would show that private insurance can do a better job.

A number of representatives of other brokers associations were on hand, including C. A. Berger, president of the Illinois association, who arrived by plane; Willard Keith, president Southern California Insurance Society; H. E. Moore, Boston, president Massachusetts association. The heads of all the other insurance brokers association in the New York district were present. Secretary-counsel W. H. Bennett represented the National Association of Insurance Agents.

Indiana Agents in Annual Meeting

(CONTINUED FROM PAGE 3)

is an opportunity for local board newspaper advertising in the community.

It is the proper sphere of board activity, he said, to scrutinize carefully new agency appointments and to see to it that if the appointment is not a proper one a protest should be given to the offending company. Indiana has an agency qualification law with resident agency provisions. Its operation, he said, is largely dependent on the care, discrimination and good faith of the companies. There are over 11,000 life, fire and casualty agents in Indiana. The multiplicity and carelessness of ap-

pointments and legal overhead writing has gone far toward destroying an otherwise potentially valuable privilege, he said.

Mr. Hendrickson said, "Your board should insist that any agency representation measure up to reasonable educational standards so that all may serve the insuring public satisfactorily. The assured pays for agency service in the acquisition cost loan and certainly he is entitled to full return for this expenditure."

Mr. Hendrickson pointed out the program of the educational committee of the state association has three objectives: Better knowledge of the business by existing agents, more adequate training of applicants for agency appointments as a prerequisite to licensing education of the insuring public to the value of insurance sold and supervised through local agents.

Bay State Attacks on Service Companies

(CONTINUED FROM PAGE 23)

recent complaints which have come to our notice concerning the activities of certain insurance men, who, it is alleged, have persuaded employers to reject the workmen's compensation act, to self-insure and to protect themselves against the penalties involved by such rejection through the medium of contracts of insurance placed with unauthorized carriers. We intend carefully to investigate these complaints and we sincerely hope that if the practice is being carried on at present, it will be abandoned by any persons who are operating under insurance licenses in Massachusetts. The spectacle of an insurance man attempting to convince an employer that he should not buy compensation insurance is comparable to that of a coal merchant who carries coal to Newcastle.

"Massachusetts was one of the first states to enact the compensation law. It is the best compensation law in force anywhere in the world and is the best administered. We hope we will find the complaints groundless and that if there are any who are engaged in the objectionable practice it is hoped they will abandon it."

Philadelphia Casualty Lectures

The first year casualty course, conducted by the Insurance Society of Philadelphia, will commence Nov. 10. W. S. Kite, Hartford Accident, will open this series of lectures.

Paul Fell, chairman education committee, has appointed E. E. Lindner, Indemnity of North America, chairman of the casualty course.

Speakers for the first few meetings include A. B. Derickson, Travelers; A. H. Reeves, Travelers; H. P. Stellwagen, Indemnity of North America; Homer W. Teamer, Insurance Federation of Pennsylvania; John M. Richardson, Globe Indemnity; C. W. Fairchild, Association of Casualty & Surety Executives, and Charles H. Haugh, National Bureau of Casualty & Surety Underwriters.

Hartford Casualty Lectures

HARTFORD.—In the casualty lectures of the Insurance Institute of Hartford, J. R. Regnier, Hartford Accident, spoke on the legal background of "Common laws of employers liability; industrial revolution; employers liability legislation," and John P. Faude, Aetna Casualty, on the legal background of "Workmen's compensation and employers liability contrasted; workmen's compensation legislation abroad; early efforts in the United States to enact a satisfactory workmen's compensation law."

Felix Bird is opening a local agency at Poteau, Okla.

an ounce of PREVENTION is worth a pound of CURE...

INSPECTIONS...

When the American Glass Company makes a replacement the Foreman is instructed to make a thorough inspection of other plates not broken, for looseness or other faulty defects, etc., that may cause glass to become cracked. A report is submitted at once.

REPAIRS...

If advised by insurance companies, we are pleased to give this added service of tightening loose glass, moldings and other minor repairs. This service insures against future breakage, and is done without additional cost.

RESEARCH...

Before a replacement is made, cause of the break, which may be due to action of acids, paint, erosion, etc., is investigated. A detailed report of the case is made and submitted to the insurance company.

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Reliable and dependable service, hand-in-hand with speed, have made the American Glass Company the recognized leader in the Chicago Plate glass replacement field.

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WORKMEN'S COMPENSATION

PUBLIC LIABILITY PROPERTY DAMAGE

INSURANCE

Bituminous agents and brokers receive no unfair demands for "Supporting" Lines.

Your agency will Benefit with a Bituminous contract and your clients will be pleased with our claim and engineering services.

BITUMINOUS CASUALTY CORPORATION

HOME OFFICE

ROCK ISLAND, ILL.

Illinois Financial Responsibility

The law is tremendously increasing the number of insured automobiles. If you are not getting your share of this business it may be you need better rates or better service facilities.

For Open Territory write Paul W. Pickering, Secy.

ILLINOIS CASUALTY COMPANY

SPRINGFIELD

Exclusively Automobile Insurance Since 1916.

TWO OF THE NEW MEMBERS



A. J. SMITH, New York City



W. C. MEEK, Seattle

Two of the three new members of the executive committee of the National Association of Insurance Agents announced last week are A. J. Smith of New York City and W. C. Meek of Seattle.

Special Committees on Acquisition Cost

NEW YORK—With a view to making fully effective the purposes of the fidelity and surety and casualty acquisition cost conferences, special committees of company executives were selected for each body at a general gathering of the membership Tuesday. Twelve officials will serve upon the former committee and 15 on the latter. A complete survey of field conditions will be undertaken, which when completed will enable the presentation of such changes in existing rule and regulations if any as may seem desirable.

Start K. C. Institute Course

KANSAS CITY — The Casualty & Surety Institute of Kansas City will open its current school year Nov. 1. It is composed of and managed by casualty company employees, to supply an educational course in casualty insurance to those desiring it.

W. J. Welsh of Mann, Barnum, Kerdolf & Welsh, president Missouri Association of Insurance Agents, will be the instructor this year. W. A. Sullivan, insurance director Loose-Wiles Biscuit Co., who had the course last year, will review that material for five weeks.

Erskin Good, Central Surety, is president of the institute.

Tennessee Automobile's Meeting

CHATTANOOGA, TENN. — More than 200 attended the agency meeting here of the Tennessee Automobile of Knoxville. Commissioner John W. Britton was principal speaker.

The company, which now operates exclusively in Tennessee, plans expansion into Georgia.

Hear Highway Safety Talk

NEWARK—More than 100 members and guests attended a dinner meeting of the New Jersey Claim Association. Abram Swan, Jr., director of safety of the New Jersey motor vehicle department, spoke on "Highway Safety" and showed sound pictures depicting the work of the department.

Executives Association Booklet

The Association of Casualty & Surety Executives has published a booklet describing briefly its principal objectives and the service it is rendering. "We are inaugurating," said C. W. Fair-

child, general manager, "a new deal in publicity and public relations as regards capital stock company insurance. Today the public wants, and rightly so, enlightenment on business activities which are related to public progress and security. We propose to meet that demand insofar as capital stock casualty insurance and suretyship are concerned. We have nothing to hide; we welcome the opportunity."

The purposes are set forth in a single sentence: (1) To provide a forum for inter-company discussion of the general problems which are common to capital stock casualty and surety companies, and (2) to promote the common interests in every legitimate manner wholly consistent with public welfare.

Financial Responsibility Chart

The Association of Casualty & Surety Executives, 60 John street, New York, has just published, in chart form, an analysis of the principal provisions of the state laws on financial responsibility. The current issue of the chart, which covers all of the states having financial responsibility laws, is a revision of a previous issue, reflecting changes effected by new laws and amendments. The association will mail this chart to interested persons upon application, for a nominal charge.

Tennessee Committees Named

W. D. Pettigrew, president of the Tennessee Association of Insurance Agents, announces the completion of committee appointments for the year. The chairmen are: Casualty Conference, Will S. Keese, Jr., Chattanooga; Fire Conference, W. U. A. Companies, Allan Fisher, Memphis; Fire Conference, other companies, Hayes Hartnett, Nashville; Agents Business Development Office, H. Phelps Smith, Nashville; Finance, H. Phelps Smith, Nashville; Legislative, Charles B. H. Loventhal, Nashville; Public Relations, E. A. Angier, Memphis; Conservation (Fire & Accident Prevention), A. V. Patton, Jackson.

John S. Burwell of the Moore, Foster & Burwell agency at Scranton, Pa., died Saturday at the Moses Taylor Hospital there. He was one of the leading agents in his state, having served for a number of years as treasurer of the Pennsylvania Association of Insurance Agents. He was active in the Scranton Exchange.

Guest Liability of Auto Drivers Reviewed by Benoy

Guest liability in automobile cases was discussed by Wilbur E. Benoy, Columbus, O., before the National Association of Mutual Insurance Companies convention at Syracuse. Mr. Benoy is an attorney. Recent decisions were reviewed. Plaintiffs naturally desire to avoid the application of guest laws and it appears the courts have a growing tendency to avoid the application of the guest acts.

The two big questions are the definition of negligence that would support a claim notwithstanding the guest law, and the definition of the status of a guest. The courts are at variance on both questions.

Two Causes of Avoidance

A typical act is that of Michigan, which provides exemption in the following language: "Unless such accident shall have been caused by the gross negligence or willful and wanton misconduct of the owner or operator." Mr. Benoy reviewed various cases throwing light on the application of this language in various states.

The guest act does not apply under two situations, first, where there is payment for the ride, where, although there was no payment, the passenger is not a guest within the meaning of the act. A passenger may be taken out from under the guest act because of the circumstances of the ride, even though no payment is made. Thus an employee, a business associate, etc., may be held not to be a guest.

Contributions for expenses raise the greatest number of cases in regard to the status of a guest or paying passenger. The courts are tending to the ruling that contributions toward expenses among friends do not make them paying passengers, although contributions among strangers may be treated as a consideration for transportation.

Where They Are In Force

There are guest laws now in force in 27 states in some form or other. In Kentucky the guest law was declared unconstitutional. In Massachusetts and Georgia the effect of the guest statute is produced by rulings of the courts. Connecticut, the first state to enact a guest law, is the only one so far to repeal it, the repeal being effective July 1, 1937.

The states having guest laws are Alabama, Arkansas, California, Colorado, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington and Wyoming.

There are no guest statutes in the District of Columbia, Louisiana, Maine, Maryland, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, West Virginia or Wisconsin, nor in Georgia or Massachusetts.

Los Angeles Honors Halliwell

LOS ANGELES—C. G. Halliwell, vice-president in charge of production for the Aetna Life companies, was guest of honor at a luncheon given by Branch Manager Leland Mann and General Agent W. M. Hammond, with more than 150 in attendance. The luncheon was the culmination of a drive by the local field force to welcome Mr. Halliwell to Los Angeles. After reciting some of the things the producers have done and the opportunities that are theirs, Mr. Mann presented Mr. Halliwell \$24,509 in premiums on casualty business, \$3,059 on marine business and \$9,995 on fire business.

Mr. Halliwell said the Los Angeles meeting was the largest he has attended

Silver Anniversary for the President



CHARLES C. BOWEN

DETROIT—C. C. Bowen, president Standard Accident, is receiving a flood of congratulations and good wishes from associates and friends in and out of the insurance business on the occasion of his 25th anniversary with the company, Oct. 22. A pleasant surprise was a huge bouquet presented to him by fellow officers and a specially engraved token of esteem from employees commemorating the anniversary.

Born of an old Detroit family, Mr. Bowen started with the Standard as an apprentice underwriter in 1913. In 1919 following an experience which included work in all departments, he was made secretary, and in 1926 became vice-president and secretary. In 1936 he was elected president succeeding D. M. Ferry, Jr., who became chairman of the board. In addition to his duties as president of Standard Accident, Mr. Bowen is president of the Pilot of Toronto. His father, Lem W. Bowen, was also a president of Standard Accident and his grandfather, C. C. Bowen, was one of the founders.

in his visits to 16 of the company branches and general agencies. The accident and health campaign staged by the company, he said, resulted in a 90 percent increase in that class of business.

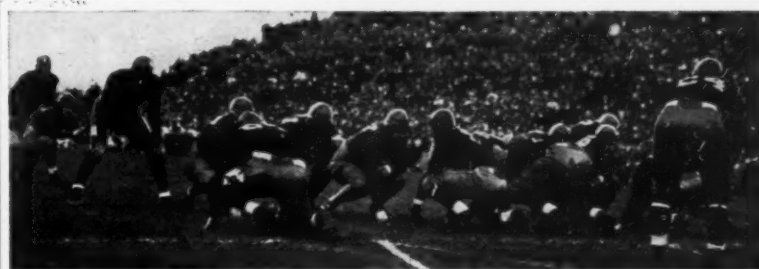
He said the company's survey plan for producers is resulting in agents being able to change policyholders into clients and that the new auto sales plan is helping agents to sell new business and to retain renewals.

Gideon to Pacific Employers

K. W. Gideon has been appointed superintendent of miscellaneous casualty lines in the head office of the Pacific Employers in Los Angeles. For 12 years he has been with the southern California branch of the Ocean Accident.

W. F. Allen, compensation claim examiner in the Aetna Life liability claim department, has just completed 25 years with the company. He was presented a watch and chain by the members of his department and the Aetna Life Men's Club.

L. J. Froelich of Lincoln Park, Pa., manager of the Travelers branch office in Reading, Pa., died at the Hartford Hospital Monday after a two months' illness. He went to Hartford in September in ill health, and was admitted to the Travelers rest home in Suffield. A week ago a kidney disorder became acute, and he was removed to the hospital, where he died.



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Peeks at New Hampshire Agents in Manchester

Agents in hurricane areas are using to good effect the local picture books showing results of the disaster. A. B. White, Keene, N. H., had one from that city at the Manchester annual meeting of the New Hampshire Association of Insurance Agents, entitled "It Did Happen Here." Mr. White missed the St. Paul meeting because it did happen there.

Arthur J. Rouillard, New Hampshire insurance commissioner, rates high with reporters and listeners. He avoids generalities, sticks to specific problems of his office, tells exactly where he stands, what he is doing or expects to do and sits down. He makes copy for the press with every other sentence.

Mrs. William T. Parker, Manchester, arranged an interesting exhibit of old policies, registers, fire markers and calendars at the New Hampshire meeting.

Members of the New Hampshire Insurance Women's League presented their first president, Helen Meehan, a beautiful purse. The women mustered a larger turnout than the men at Manchester.

Ralph Hinkley, Boston, New England manager, American, was introduced by President Helen Meehan to the women's organization as author, expert, lecturer, impersonator and bachelor.

Only one instance of flood damage insurance payment on account of the recent hurricane has come to light. A national corporation with one form covering all its local units collected \$94,000 for water damage done to contents in one location.

Mrs. D. W. Clarner, stamp clerk of the New Hampshire Board of Underwriters reports 400 to 500 supplemental contract endorsements a day as normal since the hurricane.

The Peerless Casualty, Keene, N. H., escaped injury in the flood and hurri-

cane there. A crew of men by special effort prevented water damage.

Both retiring and incoming New Hampshire Fire presidents, Frank W. Sargeant and James D. Smart got a warm reception at the New Hampshire banquet. They are popular with the agents.

Nebraska Truck Policies Must Carry Endorsement

LINCOLN, NEB.—All truck public liability and cargo policies issued in Nebraska, in spite of the strike of truckers affecting all deliveries outside of the city, must contain the endorsement required by the railway commission to the effect that no condition, provision, stipulation or limitation of the policy shall affect in any way the right of any shipper or consignee, or shall relieve the insurance company from liability for any claim for which the insured may be held legally liable. All terms, conditions and limitations in the policies, however, remain in full force so far as the insured and insurance company are concerned.

Permits Subject to Cancellation

Announcement of the requirement was made by Secretary Truman of the commission, although there has been no formal ruling.

Truckers are concerned because in absence of insurance coverage their permits are open to cancellation. All their policies carry a provision that the coverage is not operative where strike conditions prevail. The commission's endorsement, however, is understood to supersede the policy provisions. Truckers have made no attempt to break the strike as it affects road hauls by employing strike breakers. If they should do so, in view of threats by the strikers, it seems certain that considerable damage to cargo will occur. No insurance companies as yet have taken action either to cancel coverage or increase rates.

Forces Mobilized to Reduce Highway Traffic Accidents

DETROIT—The nation-wide reduction in highway fatalities this year challenges the mobilized forces of the traffic safety movement to go forward with a yet broader program to combat existing maladjustments. Wallace Falvey, vice-president Massachusetts Bonding and chairman of the advisory committee of the National Conservation Bureau, told the American Association of Motor Vehicle Administrators in annual convention here.

Paying tribute to the part state authorities have taken in saving lives, sparing human suffering and protecting property on America's highways, Mr. Falvey emphasized that greater uniformity of laws, regulations and administration practices of motor vehicle departments would benefit not only the officials charged with motor vehicle control, but also legislators and the great body of motorists.

Insurance, Mr. Falvey pledged, will continue to contribute its full strength in the battle to make American highways safe places for humans and property. Stock casualty companies represented in the Association of Casualty & Surety Executives are accelerating their efforts, he stated.

Standard Accident Study Club

DETROIT—The casualty branch of the Standard Accident Study Club will begin its new fall term around Nov. 1. The club follows the curriculum of the Insurance Institute of America. Meetings are held weekly with a two-hour session at each meeting.

Besides making use of leading casualty texts, instructive lectures are given by executives and department heads, followed by a general discussion covering their branches of the business.

The bonding branch of the club is continuing its sessions through the fall and winter. Both branches have substantial enrollments among the employees.

Issue Modern Claim Manual

A claim manual which is an exhaustive treatise on claim adjusting has been published by the Lumbermen's Mutual Casualty of the Kemper group, Chicago, and distributed to all the group's claim employees and attorneys in the United States and Canada. It is dedicated to James S. Kemper, president, and to pioneer directors. The title is "Casualty Claim Procedure." This volume was written by a committee consisting of C. J. N. Weber, chairman; P. E. Schuwerk and K. C. Berry. Mr. Weber formerly was with the bond underwriting department of the Metropolitan Casualty in Chicago and later was fidelity and surety claim department manager. He joined the Kemper group's legal staff at the home office four years ago. Mr. Schuwerk is manager of the Chicago branch office claim department of the group and formerly was in the claim department of the Metropolitan Casualty under Mr. Weber. Mr. Berry has been in the Kemper group head office claim department for eight years and formerly was in the Liberty Mutual claim department.

U. S. Tax Claim Settled

LOS ANGELES—The federal government's claim of \$1,175,000 for back taxes for 1931-35 against the old Pacific Mutual Life was settled under stipulations by counsel for \$364,160, following a hearing here before Judge Ernest Van Fossan of the United States Board of Tax Appeals. The government's claim against the company was made on the basis of changes in rulings by the internal revenue commissioner.

At the time the company's returns were filed, the rulings permitted insurance companies to make certain deduc-

tions. In 1935 the Treasury department amended its regulation to collect retroactively additional taxes.

When the Pacific Mutual was reorganized in 1936, a section of the reorganization agreement provided that the new company would assume any obligation of the old company to the government, as might be determined.

Blackall Hartford Speaker

HARTFORD—Commissioner Blackall addressed the Automobile Casualty Underwriters Association at a dinner meeting.

Complete Home Office Study

Sixteen men have completed the home office study course of the Aetna Casualty & Surety in the field of fidelity and surety bonds. L. V. Fowler, field supervisor in charge of the fidelity and surety bond production, was in charge of the course. He has conducted the school since 1921. A number of the graduates are taking further training.

R. F. Scofield, 56, Wisconsin state manager of the North American Life & Casualty until illness forced him to retire from active work last June, died at a Milwaukee hospital.

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Reserve for Losses	4,358,549.45
All Other Liabilities	1,992,463.60
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NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

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POINTERS FOR LOCAL AGENTS

Business Interruption of Interest to Loaners

W. P. Welsh of Pasadena, Cal., former president of the California Association of Insurance Agents, in speaking at its annual meeting in Fresno, paid special attention to business interruption insurance. He said that a thorough knowledge of the assured's business operations and finances must be obtained before an agent can qualify himself to present this form intelligently. Many have side-tracked this coverage, he said, because of the difficulty in getting close enough to clients to obtain the necessary information on which to base a well prepared program.

Mr. Welsh took a special slant in convincing Banker Jones that this form of coverage enhances the client's ability to pay his loan when it becomes due. He also tries to prove to the banker that every possible hazard his loan may face is well and adequately covered by the policies that have been sold. Mr. Welsh continued:

Arguments for the Banker

"Mr. Jones, in your consideration of a loan to my client, I would like to present to you the coverages which I have sold to my client, which in my opinion will eliminate the hazards of this loan. I know that you have confidence in my client's ability to pay this loan if no unforeseen contingency places him in an embarrassing financial situation. At the time I arranged his insurance program I had the same thought in mind that you now have. I visioned then all the probable hazards which might seriously affect the successful operation of his business, and with that in mind I presented to him the coverages which I recommended to eliminate these hazards. He has adopted my program of protection as being vital and necessary to him, and I believe that I can convince you that the scope of his protection covers all the dangers involved in your loan, so that you will be willing to grant this loan to him.

Loss of Income and Profits

"You have been presented with the coverages which my client carries to protect him against the hazards of fire, windstorm, boiler breakage and earthquake. I wish to call your attention to another very important coverage which eliminates the hazards of loss of income and profits, and the indemnifying of my client for fixed overhead expenses which would continue if a fire or other loss should stop or partly stop his business operations. This policy will pay him a sum equal to his declared fixed expenses that will continue as a result of total suspension of business, plus the estimated profit that would have been earned had no loss occurred. This policy also covers partial losses due to partial suspension in the same manner, so that you can readily see that my client will continue to earn a profit from which to repay your loan even if any loss takes place.

Careful Preparation Shown

"In preparing this policy, I have carefully taken into consideration the exact overhead expenses which would necessarily have to continue as shown under this policy as well as a careful estimate from previous years' experience as to the expected profits during any particular period that a fire or other loss might suspend his operations.

"I have investigated what the probable

length of time would be to replace the building and equipment now used by my client, and have written the policy in accordance with this estimate. An examination of the form of coverage used to protect my client will show that he has 100 percent protection for either total or partial suspension of business. The policy is so written that his fluctuating earnings are taken care of, and no penalty will attach if fire occurs during either heavy or light periods of earnings. As additional safeguard to



W. P. WELSH
Pasadena, Cal.

my client in this respect, every month I check with his auditors as to any particular change in business, so that I may adjust this policy should any definite change in business operation affect the coverage offered by this form of protection.

Must Select Proper Form

"May I say particularly to the agents at this time that extreme care and study must be given to the selection of the proper form to be used on any particular risk. Do not let the additional premium called for on Form No. 7, 100 percent specified time, induce you to use the lower rated forms if this form meets your requirement. May I also call your attention to the fact that Form No. 7 does not contain the partial suspension clause. In my opinion this partial suspension clause is very dangerous for your client. Every possible loss must be analyzed and the method of payment studied so that you will know definitely that your insured will be paid correctly if that loss occurs. Study your risk and then after careful analysis of the available forms present to your insured a detailed program of coverage, showing him exactly how the policy operates under any loss that might befall him, and how you have analyzed its effect upon his business and then fitted the policy to all situations.

"To return to Banker Jones. Mr. Jones, I believe you can see from the analysis of this protection, which my client has purchased, that you have no hazard to face from a loss from the suspension of business operations occasioned by fire to his property. There are two other coverages which my client

carries that further eliminate the hazards of your loan. My client carries a policy which will guarantee to pay the rental income which might be lost through a fire from sublet portions of his business or buildings. This policy would pay the rental income he now receives for a period which is estimated would be consumed in erecting a building or buildings similar to that in which he is now housed. This is another hazard eliminated in your consideration of this loan.

"My client might have a rather serious loss if, as a result of any loss, his accounts receivable records should be destroyed in any way. The loss of these records might make it impossible for him to collect a sizable amount due him. I have eliminated this hazard by providing him with an accounts receivable policy which insures these accounts against any loss of these valuable records. This has eliminated another possible risk from your consideration.

"I believe that I have prepared my client's insurance program so that it should be possible for him to carry on his business in spite of all the contingencies which may arise to affect his normal operation of business. By so doing he has also made it possible for you to extend to him credit which you might not otherwise wish to grant because of unknown hazards not properly covered by good, sound, safe stock insurance."

Use of Rubber Stamps Is Made Effective

H. L. Mauritsen, Wisconsin state agent Fireman's Fund, in its house organ pays tribute to a Menasha, Wis., agent, C. G. Mayer, who uses a rubber stamp on the back of every check he sends out so that it cannot fail to be seen. It reads, "Do you buy your insurance from Claude G. Mayer?" Mr. Mauritsen is convinced that rubber stamp messages can be used effectively. One that he uses himself reads, "This check is made possible through your purchase of stock company fire insurance."

He says that Agent Mayer has an idea that is quite useful. He has three notices prepared on slips of white, yellow and green paper, referring to residence, mercantile and automobile coverages respectively. When a policy is prepared one of these slips is attached to the policy. A residence slip, for instance, states, "Complete protection is essential to your security. Your coverage consists of the items checked below." Underneath the list are the words, "The above are forms of protection which tend toward complete protection for your home. Without obligation to you we shall be very pleased to explain the merits of any of the coverages you do not now carry."

The mercantile and the automobile slip follow the same procedure, reminding the policyholder of his needs, showing him his coverages and calling to his attention the forms he is not carrying but which are available.

Mr. Mauritsen says that every agent knows the embarrassing position in which he finds himself occasionally when an uninsured loss occurs and it is frequently difficult, if not impossible, to produce proof that he had discussed this very matter with the uninsured client.

Extended Coverage

The James Johnston agency of Rochester, N. Y., encloses a slip with each household policy where the extended coverage is not purchased. It reads:

This policy can be extended to cover

SALES IDEAS OF THE WEEK

Meeting Hold-Harmless Provision in Leases

Most leases on property contain a clause holding harmless the landlord should there be any injury to a third party. The usual practice of tenants is to protect themselves with public liability insurance, but such policies ordinarily exclude the contractual liability exhibited in the lease. This deficiency in policy protection commonly is overcome by naming the landlord as an assured along with the lessee.

An additional step now is being taken by some insurance buyers. Suggested by W. J. Welsh of the Mann, Barnum, Kerdolf & Welsh agency, Kansas City, the step is this:

That in consideration of the tenant's purchase of public liability coverage for the joint protection of himself and the landlord, the latter add a clause to the lease stating that maintenance of such insurance by the lessee shall nullify the hold-harmless portion of the lease.

This arrangement improves the position of both parties to the lease, Mr. Welsh points out. The tenant is relieved of the onerous contractual obligation, and the landlord, by his concession, receives first-hand evidence of sound insurance protection.

Urges Skilled Men Be Consulted

The American Library Association "Bulletin" gives the report of its fire insurance committee submitted at the annual meeting, much of which is devoted to fire protection suggestions for libraries. Agents will be particularly interested in the recommendation in the report that when any insurance project is taken or advice sought an insurance agency of recognized ability and success should be selected. In fact, the committee has recommended in the past to libraries that a sufficient amount of the insurance be allotted to a firm so that it can feel justified in taking time to be the insurance advisor. That part of the report is as follows:

"When a report on any phase of fire insurance is to be written, the importance of consultation with the agents of a well recognized insurance firm is again stressed. Such procedure is especially important when an architect is drawing plans for a new library building. Then, and then only, is the time to plan for low costs on future insurance premiums by including in the building program consideration of the proximity of the library to other buildings, types of roof, water screens, inside sprinklers, fire doors, etc. Consultation with reliable fire insurance men should be the keynote of trustees and librarians, when considering fire insurance or any of its allied lines."

Two members of the committee are M. A. Hyde, vice-president Security Mutual Life of Lincoln, Neb., and C. M. Cartwright, THE NATIONAL UNDERWRITER.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

O'Connor Speaks at Cincinnati Meeting

CINCINNATI—The agency of J. P. Heister & Son, which formerly operated outside the board, has been admitted to membership in the Cincinnati Fire Un-



JAMES C. O'CONNOR

derwriters Association. The agency was presented for membership by President G. B. Wilson and was approved by the members.

James C. O'Connor, editor of the "Fire, Casualty and Surety Bulletins" of THE NATIONAL UNDERWRITER, spoke on his observations of trends in national and state agents' conventions. He cited as particularly noteworthy the great increase in educational and sales subjects and the replacement to a large extent of formal addresses in favor of round table discussions. While the average agent who attends a convention is undoubtedly interested in national issues affecting his relations with his companies, it was Mr. O'Connor's belief that he has confidence in the ability of his officers and committees to handle these matters satisfactorily and that the agent himself is more interested in a forum on salesmanship, coverages or agency management, as far as his attendance at the convention is concerned.

Value of Agents Service

An important change in mental attitude, which Mr. O'Connor heartily commended, is evidenced by the fact that agents are recognizing that they must not only sell insurance, but must sell the value of their services to the public. More and more agents feel that they should not be afraid to discuss commissions frankly with assured and be prepared to justify their costs and their position in the business picture.

Secretary J. F. Schaefer delivered reports on the National Association of Insurance Agents meeting at St. Paul and the Ohio association meeting at Akron. A. M. O'Connell, Eureka-Security agency, proposed that legislative candidates of both parties be questioned on their attitude toward the amendment of the Ohio agency licensing law to provide that applicants must either have experience in an insurance office or have passed a prescribed course of insurance study.

J. G. Reiss, 82, for years an official of the Terre Haute (Ind.) Mutual Fire, died at his home there.

Report Progress in Detroit Clearance

DETROIT—Excellent progress is being made in clearing Detroit agencies of mixed representation. H. W. Peacock, chairman grievance committee Detroit Association of Insurance Agents, reported at the October meeting.

Six companies, the Fidelity & Casualty, Massachusetts Bonding, National Union Fire, Sun, Western Casualty & Surety and Western Fire, listed by the grievance committee in its open report last month as being planted in agencies which have both stock and mutual representation, have been removed from the list after compliance with the association's rule that no member agencies may represent companies any of whose agency representatives also represent mutuals or reciprocals.

Many company executives, Mr. Peacock declared, were surprised to find that their own companies were in mixed agencies. In some cases mutual representation was taken on after field men had planted the stock companies. Agencies are being checked both by local field men and by the grievance committee in the newly published 1938 Underwriters' Handbook of Michigan.

Surety Questions Brought Up

President A. I. Dreifus reported that a few surety companies have sent letters direct to banks regarding reductions in bankers bond rates and to notary applicants soliciting business. After some discussion, it was decided to refer the matter to the surety committee, to be taken up with the Surety Association of Michigan.

Fred C. Esper, chairman accident prevention committee, urged members to notify the director of safety of the police department when traffic hazards are noticed. D. T. Marantette, Detroit Insurance Agency, reported on the National convention in St. Paul and W. A. Doyle, newly elected vice-president of the Michigan association and former Detroit Board president, gave an account of the Michigan convention in Muskegon.

Through the courtesy of Aetna Casualty, the talkie, "Word Magic," was shown. J. H. Egloff of the Travelers will discuss retrospective rating at the November meeting.

Milwaukee Reelects Officers; Consider Short Rating

MILWAUKEE—At the annual meeting of the Milwaukee Board Val Gottschalk, president; Ralph Martin, vice-president, and Wm. F. Lynch, treasurer, were reelected. Directors elected for three-year terms were Elson Weil, R. E. Brandenburg and R. J. Schauer, while Monroe Porth was elected to fill the unexpired term of Joseph Williams, who resigned following his recent retirement from the Northwestern National. Reports were made by the officers, auditing and patrol committees.

A special report was made by Monroe Porth on short rate cancellation of existing collateral policies at the time a new mortgage is negotiated. Some modification of the ruling on short rating are needed according to Mr. Porth. In 1923 the Milwaukee Board adopted a ruling on short rating of collateral policies in order to avert the need of such a ruling by the Wisconsin insurance department in line with rulings made in other states regarding the coercion practices. The short rating should not apply where the sale of property involves refinancing

under new mortgage and the new owner does not choose to accept the prorata transfer of the former owner's insurance.

If there is some existing storm insurance in a company not carrying an equal amount of fire insurance there is some ground for short rate cancellation of the storm insurance in favor of extended coverage, said Mr. Porth.

Several agencies have felt that the Federal Housing Administration's monthly reserve for insurance premiums might create a legitimate reason for short rate cancellation but the most active offices in the field have agreed that this is not the case, said Mr. Porth. Adjustment must be made at the commencement of an FHA loan to create proper reserves for taxes so that there will be a sufficient fund on hand to pay the next tax bill. The same method can be applied to odd term calculations on insurance so there is no legitimate reason for short rate cancellation.

Pfeil, Dakin and Meek Head Ohio Committees

Immediately after the meeting of the Ohio Association of Insurance Agents at Akron, L. C. Jones, Youngstown, the new president, appointed three committee chairmen. They are: Surety, Robert Pfeil, Cleveland; rural agents, Karl Dakin, Lebanon, and finance, H. L. Meek, Columbus. Mr. Meek is a past president.

Austin McElroy, Columbus, the retiring president and new national councillor, was presented with a handsome leather easy chair. H. S. Martin, Toledo, Mr. McElroy's predecessor in both offices, officiated. In accepting, Mr. McElroy asked whether it had been suggested by his competitors in Columbus with a view to inducing him to relax instead of hustling for business.

Secretary John A. Lloyd announced the formation of a past presidents' club, with Mr. Martin as the first initiate.

One of the most popular headquarters at the Akron meeting was the one maintained by First Bancredit Corporation. R. W. Lipstreu, Cleveland manager, who was in charge, has become a familiar and welcome figure at agents' gatherings throughout his territory.

Custodians Refuse to Pay Back Their Rate Case Fees

JEFFERSON CITY, MO.—L. H. Cook and H. P. Lauf, custodians in the old 10 percent rate litigation, have refused to turn over their fees to Superintendent Robertson. They claim it is up to the fire companies to make restitution.

The Central Missouri Trust Company is ready to turn over the \$2,360,502 balance. Attorney-General McKittrick demanded the entire \$2,751,256 deposited by order of the Cole county circuit court but \$390,753 has been allowed by the court in fees, etc. Cook and Lauf each got \$60,000 and their attorney \$15,000 in fees. The supreme court ruling held that the entire fund should be turned over to the insurance superintendent.

The custodians said they would not return their fees despite the fact that the supreme court had set them aside. Attorney-General McKittrick stated that if the money is not returned voluntarily he will bring legal action to enforce restitution.

Want Strike Damage Law Change

MADISON, WIS.—A resolution proposing that the state law making municipalities liable for strike damage be amended to provide that no liability exists where the municipality is not negligent, was adopted at the convention here of the Wisconsin League of Municipalities. This matter has become

New S. D. President



J. H. DRURY

J. H. Drury, who was elected president of the Fire & Casualty Agents of South Dakota at its recent annual meeting, was born in Chamberlain, S. D., in 1896, graduated from Kearney Military Academy and South Dakota State College. After returning from war service, he entered insurance work in the office of his father and later became a member of the firm of Drury & Drury, Chamberlain.

In 1935 he served as chairman of a local committee for the inspection of Chamberlain by the South Dakota Fire Prevention Association.

of concern since the state supreme court held municipalities liable for damages regardless of the negligence factor in suits brought by insurance companies to recover losses paid the Electric Company of Milwaukee on riot policies for damages sustained in the street car strike several years ago.

Women Hear McDonough

COUNCIL BLUFFS, IA.—Monthly meetings have been resumed by women in local insurance offices. Alexander McDonough, manager Travelers Indemnity, Omaha, spoke at the first meeting.

Ohio Farm Loss Not Heavy

COLUMBUS—Fires on Ohio farms the past summer were no more numerous and the loss was no greater than the average, according to one of the adjusters here. From the numerous reports of farm fires in the newspapers, one might have concluded that there were more fires, with greater losses than usual, but this adjuster reported no appreciable increase either in the number of fires or the loss.

Can Condemn Fire Traps

LINCOLN, NEB.—The Nebraska supreme court has upheld the authority of the city of Omaha to proceed with the condemnation and destruction of properties that have deteriorated to the point where they are not only dangerous to occupancy but are public and private nuisances. The court said that where the statute gives a municipal governing body authority to condemn unsafe structures it confers executive, legislative and judicial powers, and that

the courts have no authority to interfere with the exercise of these when this is done within the limitations of the grant of legislative power except in clear cases of abuse.

Rodgers in Kansas City, Kan.

KANSAS CITY, KAN.—Wallace Rodgers, assistant manager Western Underwriters Association, Chicago, spoke at the annual dinner sponsored by the general insurance group of the Women's Chamber of Commerce. Mrs. Loleta Allen of the Merriam, Ellis & Benton agency is chairman of the group. Alex Case, Marion, Kan., president Kansas Association of Insurance Agents, and Mrs. Case; members of the Kansas City, Kan., local board and field men represented in agencies here were invited.

Nebraska September Losses

LINCOLN, NEB. — September fire losses of \$124,800 were reported to the state fire marshal's office, compared to \$132,000 for the same month a year ago and \$188,000 in August. For the first nine months reported losses total \$1,275,000, compared with \$2,162,000 for the entire year 1937.

Talk to Illinois Firemen

PEORIA, ILL.—R. E. Vernor, Western Actuarial Bureau; Chief Frank C. McAuliffe, Chicago fire insurance patrol; Commissioner Mortensen of Wisconsin and State Fire Marshal Coultas were speakers at the Illinois Firemen's Association convention here.

Underwriters Adjusting Changes

W. J. Toole, who has been a staff adjuster at the headquarters office in Chicago of Underwriters Adjusting, has been appointed manager of that organization in Ottumwa, Ia. H. G. Pease, who has been Ottumwa manager, has been transferred to Sioux City, Ia., as manager.

Hildebrand at Flint

FLINT, MICH.—At the annual "insurance night" meeting of the Flint junior chamber of commerce, W. O. Hildebrand, Lansing, secretary Michigan Association of Insurance Agents, explained some of the less obvious ad-

vantages of the various insurance services, including the safety work of the National Board and Underwriters Laboratories, and stressed the value of local agency service in meeting modern business needs. His talk followed a presentation of the motion picture, "Approved by the Underwriters."

The program was arranged by G. S. Newcombe of the D. E. Newcombe Sons agency.

Will Meet in Peoria

The 1939 convention of the Illinois Association of Mutual Insurance Companies will be held in Peoria in October.

Donnelly Opens Office

Eugene P. Donnelly, for two years with the Underwriters Adjusting and formerly agency adjuster for Thomas McGee & Sons at Kansas City, resigned to open his own adjusting office in 924 New York Life building, Kansas City. He studied law at the night school of the Kansas City School of Law while with McGee & Sons and was admitted to practice in 1936.

Beloit Board's Meeting

BELOIT, WIS.—At the monthly luncheon meeting of the Insurance Underwriters Association of Beloit, Ches-

ter Uehling, president, reported on the state convention at Sheboygan. About 30 were present. William May of the local fire department explained the service of the department and its cooperation with commercial and industrial concerns to eliminate fire hazards and prevent loss of property and life.

Pay Lincoln Hail Claims

LINCOLN, NEB.—The district court has ordered \$8,978 of the \$14,161 recovered from liquidating agents of the Lincoln Hail, who used loss fund money to pay operating expenses, paid to holders of unpaid claims. The remainder was consumed in litigation. Loss claims total \$35,510. Half of these had been paid out of funds in bank and premium collections, leaving an unpaid balance of \$8,771.

May Drop Self-Insurance

JACKSON, MICH.—Jackson county, it was indicated at a meeting of the board of supervisors, is likely to abandon its self-insurance fund because of inability to continue regular annual contributions. The insurance and bond committee of the board has recommended that no appropriation be made this year, due to the county's straitened financial situation. The usual appropriation for the fund is \$4,000.

ducted a local agency at Bristow, Okla., for five years.

His successor as secretary will be Robert M. Siegfried of Tulsa, who is with the R. H. Siegfried agency there.

May Have Louisiana School

The officers of the Louisiana Insurance Society are working on plans for the establishment of a short insurance course in the way of a school similar to the successful one conducted by the Florida agents association. It has not been definitely decided to have one but the membership is being sounded out to ascertain the sentiment.

Kerr Republican Candidate

OKLAHOMA CITY — Owing to press of business, Tom B. Reed, million dollar producer of the Great Southern Life, Oklahoma City, nominated on the Republican ticket for insurance commissioner of Oklahoma, has withdrawn his name from the ballot and W. R. Kerr, an attorney and accountant of Tulsa, was substituted.

Mr. Kerr is 59 years of age, born in Clay county, Ill., and spent his younger years in southern Indiana. He was admitted to the bar in 1910 and has specialized in insurance law.

Honored for Long Service

E. M. Bare of Bare & Swett, Eureka Springs, Ark., has been presented the Continental's long service medal for more than 25 years' representation. The agency celebrated its 30th anniversary last June.

Mississippi Mutual Men Elect

George D. Ratliff was elected president of the Mutual Fire Agents Association of Mississippi at the organizational meeting in Jackson. Howard G. McGee is vice-president and Craig Reynolds, secretary-treasurer.

Shawnee Officers Reelected

A. J. Fluke was reelected president and Miss Beulah Guild, secretary-treasurer, of the Shawnee Insurance Exchange, Shawnee, Okla., at the annual meeting.

Moser on Southern Circuit

A. A. Moser, president of Merchants Fire of New York, is making his annual trip through the south and southwest. Before joining Merchants, Mr. Moser was in charge of the southern business of Crum & Forster, and previous to that was with the southern department of North British & Mercantile.

Regional Meeting at Lawton

A regional meeting of the Oklahoma Association of Insurers will be held Nov. 16 at Lawton. Speakers will include Carl Lund, special agent Fidelity-Phenix farm department, who will discuss "Farm Coverages," and Z. M. Lang, Business Development zone chairman, who will explain the revised program of the movement. Manager L. J. McCoy is scheduled to discuss current state and national association activities. The meeting will conclude with an open forum.

The Lawton Exchange will act as host and entertain all visitors at a buffet supper.

H. L. Erwin, for several years with the Mel Foster agency, Davenport, Ia., has opened his own agency at 322 First National Bank building.

Dolph Smith, Sr., 69, local agent at Crawfordville, Ark., for 40 years, died there. He had been president of the United Insurance Agency since 1898.

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IN THE SOUTHERN STATES

Oklahoma City Asks Aid in "Cleanup"

OKLAHOMA CITY—The Oklahoma City Insurance Exchange has voted to ask C. F. Thomas of Chicago, manager Western Underwriters Association, to meet with it here and bring a group of executives of companies belonging to the association, to discuss ways and means of cleaning up unethical situations in insurance that prevail in the city. The exchange also authorized the secretary to make a complete survey of its members, the companies they represent and producers to whom they pay commissions. Every member present agreed to resign his company if it appoints any but legitimate insurance agents as its representative. All agents in the organization representing non-affiliated companies who do not belong to the Western Underwriters Association publicly pledged that they would see that their companies did not plant agencies outside of exchange members.

The evils cited by the exchange as objectionable include indiscriminate appointment by general agents and field men of unqualified agents, such as "loan sharks," automobile dealers, finance companies, small real estate offices, property managers, builders, real estate owners and assured, and performing policy-writing services for these producers and paying them the same rates of commission legitimate agents receive.

There are some red hot meetings being held by the Oklahoma City Insurance Exchange, taking up various abuses. President Herbert Heiman has sent out a bulletin in which he talks in plain language. He says:

"The questions before the house are: First, indiscriminate appointment of unqualified agents, loan sharks, auto dealers, finance companies, small real estate offices, property managers, builders, real estate owners and assured by general agents and fieldmen; performing policy-writing services for these 'producers' and paying them same rates of commission legitimate agents are receiving.

"This is leading to the following abuses:

"1. Inability of legitimate agents to hire or retain salesmen, because:

"a. They cannot produce enough business to make a living since all autos, homes and buildings are mortgaged,

and this business is now 'controlled' by finance connections, unfairly writing insurance by virtue of appointments sanctioned by our companies.

"b. Salesmen can get same commission we are receiving by obtaining policies 'at the counter' of general agents, state and special agents. Therefore, why should they work for an agency or maintain an office?

"Secondly, raiding of clients and big lines by field men and general agents, who are unfairly competing against us, by acting as local agents, soliciting business, collecting premiums, writing policies and paying public same commissions we are receiving. When manufacturers or wholesalers sell 'over the heads' of their dealers, this is known as 'chiseling.'

"The following remedies have been proposed:

"1. Disband our exchange and start chiseling ourselves. Give rebates and commissions to everyone.

"2. Boycott offending companies and bulletin them to state and national agents' organizations.

"3. Take on agencies for non-affiliated, non-organization and mutual companies, so we can be on a commission parity with general agents.

Call for Committee

"Call upon Western Underwriters Association to send a committee to Oklahoma City for the purpose of calling all offending fieldmen, general and local agents before it, and given orders to comply with the laws of this state, decent ethics, the rules of the exchange and their own by-laws. Something can be done but you must do your share. Are you willing to fight with me for your livelihood? If so, be at this meeting. If we can't make our exchange put money in our pockets, let's disband and let chaos reign supreme."

Moore Quits Oklahoma

Board; Siegfried Is Successor

OKLAHOMA CITY—A. C. Moore has resigned as secretary of the Oklahoma insurance board to become general manager of the National Mutual Casualty of Tulsa. He was appointed 14 months ago to succeed S. W. Philpott, resigned. Previous to that he had served for little more than a year as manager of the state fund. He con-

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PACIFIC COAST AND MOUNTAIN

Montana Bridge Insurance Loses

HELENA, MONT.—District Judge Besancon has ruled that the Montana state board of examiners was without authority to contract for insurance covering state highway bridges and continued a temporary restraining order against payment of a \$120,000 premium to Minneapolis Fire & Marine.

His order specified a permanent injunction against payment of the premium on a proposed \$12,000,000 policy for three years will be contained in the judgment to be filed.

The findings of Judge Besancon, called in from Missoula after disqualification of Judge Padbury were made in the action brought by John M. Wheeler, a member of the state highway commission, against Secretary of State Mitchell and Attorney-general Freebourn as a majority of the board of examiners, State Auditor Holmes and State Treasurer Shannon.

The secretary of state and attorney-general voted for the award of the insurance contract and for payment of the premium and Governor Ayers against.

Both the insurance company and the state highway commission appeared as intervenors.

Included among the court's findings were:

1. "That the state board of examiners and any majority of them are without authority of law to initiate and contract for the bridge insurance specified in the proposed policy or to obligate the state or the highway funds thereof in the payment of the premium.

2. "That no contract of insurance such as contemplated by the proposed policy was ever completed and none now exists between the state and the intervenor insurance company and such proposed insurance never has been and is not now in force or effect.

3. "The answer and complaint in intervention of the Minneapolis Fire & Marine Insurance Company be in all things dismissed without relief.

4. "That the restraining order heretofore issued in this cause is continued in full force and effect until judgment containing a permanent injunction is filed."

Attorneys for the insurance company indicated they expected to appeal to the state supreme court.

To Confer on Mountain Forms

DENVER—Walter Kulp, manager Mountain States Inspection Bureau, plans to take up shortly with the Western Actuarial Bureau and possibly some members of the uniform forms committee in Chicago proposals brought up at the recent meeting of the managing committee for revisions in several forms. Particular attention will be given to the request for an adjustment

in windstorm and hail rates to compensate for the difference in hazards between the mountain states and the middle west.

Insurance Post's Officers

LOS ANGELES — The insurance Post of the American Legion has installed these officers: Commander, S. M. Kabateck; 1st vice-commander, Grover Spoor; 2nd vice-commander, J. L. Kanne; adjutant, H. W. Acord; finance officer, L. W. Newport; sergeant-at-arms, E. N. Van Ness; chaplain, R. A. Bradley; service officer, G. T. Conklin; historian, Lyman McFall; judge advocate, W. B. Kitts; executive committee, William Sutton, F. C. Thomas, Raymond Staub, Donald Hunter.

Portland Exchange Growing

PORTLAND, ORE.—Membership in the Insurance Exchange of Portland has increased 35 percent in the fiscal year just ended, President Baker announced at a dinner meeting of the exchange.

Chatek Heads Olympians

SEATTLE—Chester J. Chatek, Seattle general agent, has been elected president of the Olympians, well-known civic organization.

Executives Visit Los Angeles

LOS ANGELES — Vice-president Frank A. Christensen of the America Fore group was a Los Angeles visitor the past week, stopping off on his way back to New York after a visit to the Pacific Coast headquarters in San Francisco.

Vice-president H. F. Ogden and Treasurer J. H. Kirker of the Fidelity & Guaranty Fire, visited the Los Angeles branch office.

Three Get Service Certificates

Three Washington agents have received service certificates for representing the North America over 25 years: E. T. Copp, Lind, Wash., 29 years; W. L. Stirling, Walla Walla, 26 years; John Benedict, Centralia, 25 years.

Kewley to Cravens, Dargan & Fox

W. T. Kewley has been named Los Angeles manager of Cravens, Dargan & Fox to succeed V. S. Kerans, resigned.

Company Speaker



R. J. MAYLE, San Francisco

R. J. Mayle, secretary and treasurer of the Pacific National Fire, spoke before the California Local Agents Association this week commenting on the various points that were brought up during the convention itself. He digested the work of the meeting and gave the audience a bird's eye view of what had occurred.

Reelected



W. N. ACHENBACH

W. N. Achenbach of Chicago, western manager of the Aetna Fire, has been reelected chairman of the supervisory committee that has charge of Rocky Mountain territory, representing the Western Underwriters Association in conjunction with the Pacific Board.

In addition to his duties as Los Angeles manager, Mr. Kewley will have charge of the oil business of the general agency.

Before joining Cravens, Dargan & Fox, Mr. Kewley was at the head office of the Oil Insurance Association in Chicago. Previously he was with the Oklahoma Inspection Bureau 1923-1935,

the last six years handling oil business only. He was named manager of the Tulsa office of the Oil Association in 1935, serving until 1937 when he was transferred to the head office in Chicago.

Barry on Eastern Trip

David A. Barry, Pacific coast manager of the Pearl-American fleet, accompanied by Mrs. Barry, is in New York visiting the United States head office. En route to New York Mr. Barry stopped in Chicago to visit the western department offices.

Definition Rescinded in Idaho

Commissioner Bakes of Idaho has rescinded the adoption of the uniform marine definition and the joint committee on interpretation and complaint suspended the articles of agreement in that state as of Oct. 10.

Lilly in Los Angeles

George W. Lilly, general manager Fire Companies Adjustment Bureau, visited Los Angeles last week, conferring with G. A. Lauer, Los Angeles branch manager.

Warrants Not Acceptable

SAN FRANCISCO—Insurance companies and their representatives will be guilty of a rebate under the California law if they accept the "\$30 Every Thursday" warrants as payment for premiums, according to an opinion rendered by Attorney-general Webb of California. Mr. Webb points out that "the premium or price for insurance must be paid or promised to be paid in cash."

Luckham Named Deputy

SAN FRANCISCO — Donald R. Luckham has been named a deputy insurance commissioner and administra-

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tive assistant to Commissioner Goodcell of California. Mr. Luckham succeeds Harold B. Haas, who was named assistant commissioner to fill the vacancy created by the death of the late S. H. Beckett. He has been connected with the Los Angeles office of the depart-

ment but will now make his headquarters in San Francisco.

Dave Montfort has established an agency at **Chehalis, Wash.**

F. H. Morrison has purchased the George B. Taylor agency, **Lynden, Wash.**

EASTERN STATES ACTIVITIES

Pennell Named Head of Maine Agents

Robert M. Pennell of Portland, Me., was elected president of the Maine Association of Insurance Agents at its annual meeting in Waterville. Other



OSCAR BELING

new officers are: First vice-president, E. L. Hegarty, Waterville; second vice-president, S. F. Jones, Pittsboro; third vice-president, O. B. Stevens, Presque Isle; secretary-treasurer, R. L. Young, Portland. Elected on the executive committee were C. J. Cronin, Lewiston; John Whitcomb, Bar Harbor, and G. C. Weston, Augusta. H. M. Payson of Portland, is national councillor.

Commissioner Lovejoy and Oscar Beling of the Royal-Liverpool groups were the principal speakers.

The ruling that a countersignature commission of at least 10 percent must be retained by a Maine agent on a Maine fire risk is being reasonably observed, the commissioner declared in his address. He said that information of any violation of this ruling will be promptly investigated. He said 19 different plans for insuring automobiles are being employed in Maine and he expressed the belief that this is a deplorable condition. The public will become suspicious, he said. Mr. Lovejoy recalled that he had ruled that a differential in rate could be permitted for business or for pleasure use but not on the basis of occupation, profession or trade.

New Ruling on Licenses

Heretofore only agents requesting licenses for fire or casualty companies have been examined under the qualification law, but the statute apparently intended to require examination for any agent intending to sell casualty insurance whether the company styled itself a casualty company or not. Accordingly all applicants for licenses whether they represent a life company which also writes accident and health, or a casualty company writing this type of business, must take the accident and health examination.

Mr. Beling spoke on streamlining an insurance agency's operations, telling of methods that would help to have the inside office staff to work more effi-

ciently and would lead to greater production. He said agency activities fall into two branches, production detail and mechanical detail. The latter he said should be brought to a state of efficiency that would make available more time for production.

He explained the survey method of production, the surveys, he said, being based on proper line records. He urged improvement of sales management in agencies and planned sales activities. Specialization on various lines may be very profitable, he said and can be carried right down through the inside office staff, which should be developed to the point where it is production minded.

A. C. Mason of Rutland, Vt., secretary-treasurer Vermont Association of Insurance Agents, extended greetings from his state.

A memorial resolution was adopted for the late Frank W. Brodie, chairman New England Advisory Board.

The Maine association dues were raised from the previous minimum of \$7.50, now ranging from \$10 to \$30.

Other speakers were F. U. Burkett, attorney representing Governor Barrows, who promised assistance and cooperation in new legislation at the approaching legislative session; Prof. M. B. Cushing, economics department Bowdoin College, and C. N. Perkins, president Maine Bar Association.

Insurer Not Bound by Prior Decision

The fact that the various companies interested in a single loss may have held consultations and cooperated in the defense does not necessarily bar the others from making a defense on their own account, after one of their number has lost its suit in the matter. This was the decision of the Pennsylvania supreme court, eastern district, in Williams et al vs. Lumbermen's of Philadelphia.

Two buildings and contents of Perkiomen Trunk & Bag Company were destroyed in a fire in 1930. These properties were insured in 27 insurance companies. Separate suits were instituted against each. The insurers retained the same counsel, who held joint consultations with company representatives. At one of these meetings a committee of three was appointed. The president of Lumbermen's objected to the appointment of this committee, notwithstanding its limited powers.

On Jan. 4, 1932, it was agreed between counsel, at the request of the president of Lumbermen's, that the suit against Southern Mutual upon a \$2,000 policy, should be tried first. In that case a verdict was rendered for the insured. In the meantime 13 of the remaining cases were tried together, resulting in verdicts for the assured.

In the Lumbermen's case, the statement of claim was amended to set up the application of the principle of res adjudicata. The court below held that the doctrine was without application and there was a verdict for Lumbermen's. The assured appealed.

The assured contended that Lumbermen's, by actively participating and joining in the defense of the Southern Mutual suit, and by contributing toward the expenses of the investigations, trial and appeal thereof and by securing a postponement of the trial

of its own case upon the representation it would be bound by the judgment of the action which was tried, is concluded by the judgment in that case. The assured, the court pointed out, however, is unable to point to any specific agreement upon the part of Lumbermen's to be bound by the Southern Mutual verdict. The court stated that it has searched the record in vain for any evidence that the parties agreed to make the Southern Mutual case a "test case" and to abide by the final judgment.

Lumbermen's claimed that the policy was void because the assured had presented a fraudulently exaggerated statement of loss. In view of the conflicting and contradictory evidence concerning the value of the property destroyed, it was for the jury alone to say which statement was correct and which false and whether there was an attempt to practice fraud upon the insurer. Judgment for Lumbermen's was affirmed.

New Jersey Women Meet

Walter A. Schaefer, head of Walter A. Schaefer & Co., Newark general agency, talked on "Holding the Compensation Line" at a dinner meeting of the Insurance Women of New Jersey in Newark.

Connecticut Agents' Rally

The Connecticut Association of Insurance Agents will hold its annual meeting at the Hotel Taft, New Haven, Nov. 4.

Fischer Newark Manager

Fred B. Fischer is appointed manager of the Great American's branch office in Newark, succeeding his father, the late John Fischer, who was manager for more than 50 years. The son has been associated with his father for a number of years as assistant manager.

Gets 25-Year Plaque

George W. Morse of Boonton, N. J., who has represented the Aetna Life group for 25 years, received a plaque in recognition of his long service with the companies. The presentation was made in the Newark branch office by Assistant Secretary T. D. Olmstead of the Automobile, followed by a luncheon.

Hartford Institute Elects

HARTFORD—G. H. Loomis, Automobile, has been reelected president of the Hartford Insurance Institute. J. C. McGurkin, Phoenix, is first vice-president; E. S. Gledhill, Travelers, casualty; F. B. Wrecks, Aetna, inland marine;

Leading Speaker



ARTHUR J. ROUILLARD

Insurance Commissioner A. J. Rouillard of New Hampshire was the chief speaker before the New Hampshire Association of Insurance Agents of which he was a member when he was a local agent. He knows the insurance business thoroughly from the agent's standpoint, is a man of strict integrity who has brought to his office understanding of the needs of those in the business as well as the public. He served as president of the New Hampshire association when he had his agency at Claremont. Today he is acknowledged as one of the outstanding insurance commissioners of the country.

Paul R. Laurensen, Hartford Accident, secretary, and A. D. Agogliati, Automobile, treasurer.

Directors include J. R. Stewart, vice-president Aetna Fire; Olaf Nordeng, secretary Automobile; C. J. Bauerle, general agent Caledonian; W. H. Wiley, president Hartford Board; J. S. Gilbertson, marine secretary Hartford Fire; F. J. Gobbie, vice-president London & Lancashire; W. H. Hinsdale, assistant secretary National Fire; John A. North, assistant secretary Phoenix; James A. Hall, assistant agency secretary Travelers.

Fire and casualty courses got under way this week, with the inland marine course to begin Friday of next week.

IN THE CANADIAN FIELD

Traders Finance Back of Two Companies

Some 84 percent of the stock of the Canadian Insurance Shares of Toronto is owned by Traders Finance Corporation, which in turn is controlled by the Canadian General Securities of which Arthur Meighen is president. Canadian Insurance Shares owns about 95 percent of the stock of the Canadian General Insurance Company and 85 percent of the Toronto General. Mr. Meighen states that the existing organization of the two insurance companies with W. P. Fess as general manager will be maintained and the Traders Finance, he adds, will take a very active interest in the affairs of these two institutions.

Great American Indemnity Has Entered Canada

TORONTO—The Great American Indemnity has complied with all deposit and registration formalities in Canada and is now equipped to write practically

all forms of casualty business, including most types of bonds, in the Dominion.

The newly created casualty department at the Canadian head office will be under the supervision of E. D. Christmas, who has had many years of active casualty work with the Commercial Union group.

Joseph Murphy Dies

TORONTO—Joseph Murphy, 73, senior partner of Murphy, Love, Hamilton & Bascom and chief Canada agent United States Fire, died here. Last spring he retired from active work. Mr. Murphy was a past-president Canadian Fire Underwriters Association.

James Leslie Dies

MONTREAL—James Leslie, who retired five years ago as manager of the Canadian Underwriters' Association, after serving that organization a quarter of a century, died here following a heart seizure on the street. Mr. Leslie who was one of the last of the Montreal sourdoughs who participated in the

Klondike gold rush, had a narrow escape from death last month when his cottage on Cape Cod was destroyed by the hurricane which swept New England.

Rounds Out 50 Years

VANCOUVER, B. C.—A. W. Blake, manager of London & Lancashire British Columbia branch, has rounded out 50 years with the company. He entered the London office as a junior clerk in 1888. In 1907 he came to Canada to develop the western field and opened the Winnipeg branch. He was transferred to Vancouver in 1921. He has served as president of the Western Canada and British Columbia Underwriters Associations.

New Canadian Form Better

TORONTO—More complete protection against all risks to personal effects is available through the amended personal property floater policy recently approved by Canadian insurance authorities. Coverage in Canada is more complete and procedure simpler, as one policy does the work formerly done by three or four.

The personal property floater is not entirely new, having been on the market here for about two years, but it is only in the past few weeks it was brought to its present complete form. The policy will not be written for less than 80 percent of estimated value of property insured, but there is no coinsurance clause.

Stalling in Western Canada

TORONTO—R. L. Stalling, manager for Canada of the Sun, accompanied by D. M. Dewar, casualty manager, is visiting agencies and branches in the western provinces.

De Jardin Accident Victim

WINNIPEG, MAN.—G. De Jardin, secretary Beaver Fire of this city and member of Alderson, De Jardin & McDonald, was accidentally killed.

Sword on Tour with Hughes

TORONTO—Colin E. Sword, manager for Canada of the Union of Canton and president of the Insurance Institute of Toronto, is on a tour of western Canada with A. W. Hughes, general manager of the company, who has been visiting Canada. Mr. Sword is expected to accompany Mr. Hughes as far as Vancouver, where the latter will sail for Hong Kong.

Miscellaneous Notes

J. H. Griffith, 72, for many years with the Griffith, Lee & Wilson agency, Vancouver, B. C., died there.

Edgar Rossiter has been appointed manager of the insurance department of Pemberton & Sons, Victoria, B. C., firm.

The Bee Fire of Canada has been licensed in British Columbia. G. D. Holmes has been named Vancouver supervisor.

Frank E. Partridge, Spokane, Wash., independent adjuster, has moved to Santa Barbara and opened temporary offices at 2333 Hollister avenue.

John Alford of Clayton, N. M., has purchased the agency of A. S. Palmer and will handle the work from his office in the Eklund Hotel.

MOTOR INSURANCE NEWS

Hopes to Have Plan for Finance Cover Widely Adopted

Following the conference held at the Illinois insurance department last week with the special company committee to investigate the problems of auto finance companies acting as agents, it is announced that definite progress had been made. W. F. Beyer, vice-president of the Home, is chairman. The committee has had meetings and submitted a plan to Director Palmer at the conference. There are three main issues involved in the controversy. The first is that some companies do not give the policyholder proper evidence of his coverages, the premium being lumped in with the finance charge. The second is the failure to return the unearned premium when the individual coverage is cancelled. The third, and a very important one, is the high commissions paid to finance companies or their representatives for the business.

Director Palmer has been insistent that there be uniformity in practice so far as policies issued under the deferred payment plan. He desires the assured to have full information.

Intends Country-wide Adoption

The commission problem evidently is a very serious one. There has been sharp competition for the business and the result is that exceedingly high commissions are paid in some instances. The General Motors Acceptance Corporation organized the General Exchange Insurance Company to take its insurance. Insurance companies fear that other large finance companies may do the same thing if commissions are reduced.

It is evident that Director Palmer desires to have any program that he proposes made country-wide and hence being vice-chairman of the committee on automobile finance business of the National Association of Insurance Commissioners he proposes, it is understood, to have Commissioner Blackall of Connecticut, who is chairman, make a report at the forthcoming meeting in Des Moines, thus embracing the Illinois proposals and giving the committee the advantage of the extensive investigation that Illinois has made. The Illinois exploration of this difficult problem has attracted interest all over the country and especially with insurance

commissioners. H. A. Miller, the special deputy, has conducted most of the investigations and compiled the questionnaires that were sent out. He is thoroughly versed in all the technicalities of automobile insurance.

It is thought now that the Illinois department will shape up its recommendations so that Director Palmer can transmit them to Commissioner Blackall and if possible get them approved in time for the Des Moines meeting. If the report is promulgated in this way it will be more effective and carry greater weight.

Conferences Held on Automobile Setup

Insurance Director Palmer of Illinois is holding conferences at the Edgewater Beach Hotel in Chicago this week, the first, with companies writing fire and theft business and, next, the casualty companies, in the effort to agree on uniformity in manual and general procedure. He is seeking to establish standards on automobile coverage.

Department's Objective

The main object of the conference as to the two classes of companies was to have the setup so that the department could get the information it desires. The National Bureau of Casualty & Surety Underwriters can get the experience of its members on various lines that the department seeks. Many of the independent companies have not kept their books in a way that they can furnish the department in some respects the information that it seeks. Therefore, the department is demanding that either the outsiders have a central clearing house or adjust their books so that the statistics can be kept in a way that will give the information sought. This holds good, too, in the fire and theft business for the National Automobile Underwriters Association can furnish the information desired for its members while the independents in some respects do not have the setup that the department desires.

It was decided to hold a joint conference of the two classes inasmuch as the demands made by the department were similar. Special Deputy H. A. Miller was in charge and presented the program the department had formulated. He asked for comment and suggestions but few were forthcoming.

MARINE INSURANCE NEWS

Inland Marine Has Many Possibilities

W. J. Horner of Philadelphia, marine manager of the Atlantic marine department of the Aetna Fire, in his talk before the Maryland Association of Insurance Agents touched on inland marine insurance and its avenue of usefulness for the producers. The annual premiums on inland marine last year were \$44,671,836. This itself indicates what a large field there is open. It showed an increase of \$6,500,000 over the preceding year. Mr. Horner predicted that there would be a similar increase in 1938. As a matter of fact, he explained that the inland marine premiums written by stock companies in 1937 exceeded the income of the ocean marine business by about the same amount. The combined premium income of both classes was in excess of \$82,000,000 last year. It was interesting, he stated, to note that inland

the more generally used floaters. He listed as special prospects, art galleries, banks, dyers and cleaners, laundries, hospitals, manufacturers, photographers, public truckmen.

He said that 72 percent of all the manufacturers and wholesalers do not carry and have never been solicited for transportation insurance on their rail and truck shipments. Furthermore, he said, that 40 percent of the manufacturers and merchants who ship by parcel post do not carry insurance and have not been solicited.

The transportation policy, he explained, covers merchandise in transit by rail, express, public truckmen including trucks of the assured, ferries and inland steamers and usually covers from warehouse to warehouse. The policies are issued to truckmen covering their legal liability as carriers against fire, collision, overturn, collapse of bridges, theft of an entire shipping package.

McGrath Special Agent

NEW ORLEANS—The George S. Kausler general agency for Louisiana of the marine and inland marine departments of some 12 companies, has appointed Clay McGrath special agent for Louisiana. The Kausler agency always has maintained an efficient marine department.

"Ad" Conference Committees

BOSTON—D. C. Gibson, vice-president Maryland Casualty, has been appointed chairman of the program committee of the Insurance Advertising Conference. Other members of the committee are S. C. Doolittle, Fidelity & Deposit; C. W. Smitheman, Camden Fire; F. J. Price, Jr., Prudential; D. J. Murphy, Metropolitan Life, and W. J. Traynor, British & Mercantile. The committee is now completing plans for the December meeting of the conference.

H. H. Putnam, John Hancock Mutual Life, is chairman of the standards of practice committee. Other members are R. S. Walstrom, Continental Casualty, and Harry Carlier, Northern Assurance.

Kenneth M. May, president of May Insurance Agency, Des Moines, has been elected president of the Cooperative Club there.

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Fund Plan Again Cropping Up in Massachusetts

(CONTINUED FROM PAGE 5)

continued operation of silicosis inducing industries.

It is significant, he said, that monopolistic fund Ohio is using the plan and with some of the least favorable awards and qualifying residence terms. A special legislative commission in Massachusetts is holding hearings on the subject and expects to make a report about December 1.

Competition from direct writing companies or from any source providing competitive advantage, over local agents conferred by statute was treated by Harold P. Janisch, Boston, advisor Service Men's Protective Association. Mr. Janisch is a former vice-president of the National Shawmut Bank of Boston and of the Kemper insurance company group.

C. C. Hewitt, Boston, speaking on the same subject, expressed the opinion that nearly all insurance agents and agency company executives had been unaware of the legal advantages acquired gradually by many of the class-writing carriers.

Tips on Getting Business

Roy A. Duffus, Rochester, N. Y., secretary James Johnston agency, and president, Underwriters Board of Rochester, was the educational heavy hitter. He gave one of his rapid fire sales point addresses packed with practical business getting ideas. He reviewed the 25 points listed in THE NATIONAL UNDERWRITER of Oct. 13. He offered to send 100 pointers to those who made requests but asked them not to use the postage paid envelopes he distributed. Much of the address of Mr. Duffus was given at St. Paul and appears in THE NATIONAL UNDERWRITER special edition covering the National convention.

Survey selling was the theme of A. R. Menard, New York, assistant director Business Development Office. He urged study of life insurance sales methods, the setting up of insurance programs with coverages graded essential, desirable and available with the plan of buying the program gradually. Mr. Menard especially emphasized the necessity for study today on the part of any man who wanted to advertise himself as one who could serve the insurance buying public.

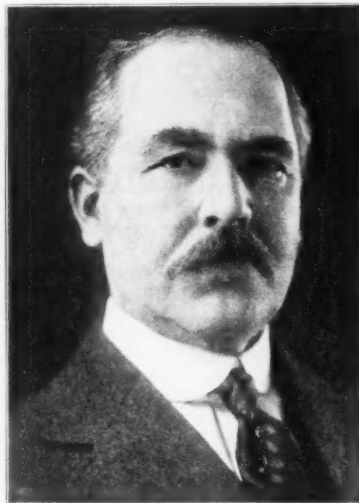
Make the most of your present clientele. That was the chief thought of Spencer Welton, vice-president Massachusetts Bonding. His remarks were reviewed in last week's issue. F. W. Selsor, New York, claim attorney, Fidelity & Casualty, thrilled the audience with his address on dishonesty insurance, the same given before the National and state conventions.

Harvey Preston's Idea

President Harvey R. Preston, Springfield, who with most of his staff was reelected in the business session, favors a one-year part time license where the part-time man is to be recognized with provision for his retirement if he does not become full-time then. Mr. Preston spoke favorably of the joint meetings with credit men.

Edwin J. Cole, Fall River, former National association president, spoke twice, once as national councillor and again to review the St. Paul convention. He said the difficulty in handling the brokerage commission negotiations was that neither the Eastern Underwriters Association nor local boards were prepared to offer concrete proposals which each could be sure would be followed by members. Mr. Cole said the New England hurricane was an argument for delivering supplemented coverage to

JOYS AND GLOOMS CELEBRATION



A. R. MONROE, Indianapolis, Czar



W. E. McCULLOUGH, Denver, Scribe

The annual dinner of the "Joys and Glooms" Monday evening at the LaSalle Hotel in Chicago brought together the survivors of the famous social organization started many years ago by those connected with the old western department of the Connecticut Fire. This year there were initiated into the sacred precincts through mystic ceremonial rites a few insurance men who have been selected by unanimous votes. A. R. Monroe of Indianapolis, former president of the Newark Fire, who is now retired, is czar and supreme head of the order. W. E. McCullough, general agent at Denver, is scribe and attends to all the details.

clients and explaining afterwards rather than making a big sales issue of it.

He was very critical of the casualty companies and what he termed their failure to match promises of cooperation with deeds. He said the effective opposition to resident agency laws comes largely from the casualty companies.

Warren S. Shaw, Brockton, told of the work of the legislative committee, of which he is chairman.

Fred J. Marshall, East Aurora, New York chairman, rural agents committee of the National association, gave the same address delivered before the New Hampshire agents last week and summarized in the Oct. 19 issue.

A resolution of sympathy on the loss by death of Frank W. Brodie, chairman New England Advisory Board, and one authorizing the executive committee to seek a more stringent agency qualification law were adopted.

Fred A. Norton of Salem, secretary-treasurer since 1912, due to ill health begged to be excused from running again for the post, and in his place was elected Carroll K. Steele of Gloucester, past president Massachusetts association. Francis A. McGlynn of Worcester was reelected vice-president and E. J. Cole returned as national councillor.

On the list of regional vice-presidents were placed R. F. Wells, of Lowell, succeeding H. F. Fessenden of that city; Charles W. Turner of Lynn, succeeding L. U. Fuller, of Thomas B. Knight & Co. of that town; George E. Moulton of Newburyport, and Fred A. Norton of Salem, replacing J. C. H. Smith of James H. Buffington & Co., Fall River, and Carroll K. Steele. Regional vice-presidents are: George L. Briggs, Amesbury; R. B. Greenwood, Silas A. Greenwood & Son, Winchendon; C. C. Hewitt, Boit, Dalton & Church, Boston; F. R. Knox, C. W. Johnson & Co., Holyoke; J. D. Lynch, Stevenson & Co., Pittsfield; R. K. Noble, Northampton; C. C. Parker, Monroe, Ingraham & Parker, Worcester; W. S. Shaw, Fullerton & Shaw, Brockton; F. R. Smith, Haverhill; F. G. Thacher, Hyannis, and P. J. Woodcombe, H. A. Hatch & Son, Fitchburg.

President Preston's annual report showed many problems faced in the year

and the association functioning well. The legislative committee headed by Warren Shaw, Brockton, has been active in defeating inimical legislation. Cordial relations have been maintained with the insurance department. Business Development work has been pushed energetically.

The executive committee spent considerable time and thought in connection with the future program of the Service Men's Protective Association. President Preston noted the Boston University College of Business Administration study program leading to a B.S., a major in insurance, and urged cooperation toward better education of fire and casualty agents.

The problem of part-time agents continues to cause complaints from various sections of the state, he said. Mr. Preston said association leaders favor a ruling such as recently made in Canada whereby part-time agents are licensed for a period of but one year, with refusal to renew at the end of that period unless the agent has devoted his full time to the insurance business. Steps are being taken regarding placing of bankers blanket bonds with non-admitted insurance carriers in the state, a special committee having been appointed to consult with the banking commissioner.

There is a real need for more well conducted, properly regulated, and truly representative local boards, President Preston concluded. Many have become coextensive, and every local board in the state needs the assistance of the state and National associations to combat threats, especially that of extermination through direct writers and cutting down the agents' share of the premium dollar.

Miscellaneous Notes

Moco Insurance Agency, Inc., Cleveland, has been incorporated with 100 shares of no par value, principals being M. W. Cogan, Esther Sampliner, and C. A. Mooney.

W. F. Cunningham, local agent at Kenosha, Wis., has formed a partnership with J. M. Gehring as Cunningham & Gehring.

The General Insurance Agency, Coldwater, O., has been sold to J. H. Forsthoefel, who has been with the agency for several years in the employ of Mrs. H. P. Blaesser, owner.

Ohio Reverberations from Agents Rally

(CONTINUED FROM PAGE 5)

There is nothing now in the constitution of the National Association of Insurance Agents that defines its relationship to the state bodies and there is no demarcation between what might be termed federal and state authority.

Mr. Wolff spoke about the Ohio association lending succor to the United States attorney general in his effort to investigate finance companies. The Ohio body had gathered some very vital and important material which it turned over to the federal authorities. Mr. Wolff contended that this was a most unwise action as it opened the way for federal investigation of insurance and when any extra territorial power was given the federal government it seized it avidly and thus extended its authority.

Mr. Wolff evidently felt that the question of finance companies in their relationship to insurance is a national question, not only with Ohio but every state interested in this particular problem. He undoubtedly believes that Insurance Director Palmer of Illinois in his conference with insurance executives on this very subject would be able to work out a plan that would be submitted to the special committee of the National Association of Insurance Commissioners dealing with it and there would be promulgated a uniform scheme.

It is known further that after the National Association of Insurance Agents had agreed to the agency contract the Ohio association would not accept it, which required separate treatment for that state.

Sacrifice by the State

Some of the national leaders have criticized the Ohio association for taking an independent stand regardless of what the national body was doing. Mr. Wolff asserted that in his opinion each state association should make a certain amount of sacrifice if necessary in order to have uniformity and allow the agents to speak with one voice. Unless this were done, he contended, the national officers could not go to the companies with any degree of satisfaction or authority.

The Ohio association undoubtedly is quite militant. It has accomplished much for its members. It has taken the position at times that the national executive committee did not take advantage of its opportunity and was too conservative in the course it was pursuing. For instance, in the automobile finance question the Ohio folks stated that the National association was doing nothing and hence being a question that was bearing down hard on agents in that state it was felt necessary for the Ohio body to move.

One of the paramount issues, therefore, before the National Association of Insurance Agents is this very question of central and state authority.

Herrick Named Utah President

(CONTINUED FROM PAGE 5)

percent of all commercial business is on credit, and insurance is the only credit support in face of fire, disaster or tragedy. "You are responsible for a service to the country which strikes at the foundation of national recovery," he declared.

Due to a recent accident Secretary Harry F. Badger of the Pacific Board was unable to attend the convention for the first time in ten years. His paper, "The Farm Tariff," was read by Mr. Roberts.

Mr. Badger called upon the Utah agents to emulate the Californians, who cooperated with the companies in bringing about a condition whereunder the

farm insurance market was preserved.

Much of the success of the plan in California, he said, lies in the fact that the agent must actually visit the farm property and acquaint himself with the physical details. This not only improves his relationship with the assured but enables him to sell new insurance.

The agent who has been aggressive in soliciting farm business under the new setup has been uniformly successful in securing new risks and obtaining increases in amounts of insurance on the old ones, he said.

Mr. Badger reviewed the negotiations leading to the introduction of a revised farm plan. Under that plan, the minimum limit of two acres is increased to five acres on risks to be classed as farm property. In lieu of the signed applications the farm survey used in California is substituted. The requirements are deleted calling for attachment of the owner's occupancy warranty and the applicable credit. Commission of 25 percent is retained only when the daily report is accompanied by the farm survey, complete in all details and accompanied by photographs of all buildings covered. Otherwise the commission is reduced to 20 percent. The California policy form of July, 1936, is substituted for the policy of August, 1930.

The Utah counties are divided into five geographical groups, according to county protection, loss experience and soil conditions.

The adjustment of basis rates, he said, resulted in a reduction on frame and masonry buildings in those counties in the better farming areas and a sharp increase for those farms in the poor and remote counties.

Predicts Substantial Increase

Mr. Badger predicted that in the next 10 years there will be a substantial increase in insurance on farms on the theory that thousands of city dwellers will establish farm homes.

Mr. Roberts amplified on certain sections of Secretary Badger's paper after he finished reading it.

Mr. Lawry, who for several years was Salt Lake City district secretary for the Pacific Board, spoke of insurance conditions on the coast. He congratulated members of the Utah association on pulling together and avoiding the pitfalls of discriminatory practices.

National Councillor Moreton reported on the St. Paul convention. "An insurance man attending a national convention, like the one just concluded, regardless of his previous predilections, will return home a 100 percent association man," he declared.

Utah Committeeman Raybould reported on the meeting of his committee with the states committee of the Pacific Board.

A "sales interview" was presented by Special Agents George Mang, R. L. Salmon and H. R. Breshars.

Reports on Salt Lake, Ogden, Provo and Logan associations were presented. A banquet and dance was held in the evening.

Mr. Carpenter said he hadn't got his seat warm yet on his new job but he hoped to be able to say something worthwhile at the 1939 convention.

Lumbermen's Mutual Meeting

Lumbermen's Mutual of Mansfield, O., held a meeting of Wisconsin and Illinois agents Oct. 21 at Milwaukee. C. E. Nail, assistant manager, E. C. Frampton, agency supervisor, S. F. Coffin, chief underwriter, Thomas Ford, claim manager and L. H. Jones, director of sales and advertising, attended from the home office.

Though still suffering from the result of the serious surgical operation he underwent in a Munich hospital during his recent trip to Germany, Carl Schreiner, president of the Pilot Re-insurance, is able to work in his office each day, and before long should round into his former robust condition.

California Agents Elect C. E. White

(CONTINUED FROM PAGE 3)

President Goldsmith. A review of the qualification law and departmental problems was presented by H. B. Haas, assistant insurance commissioner. A review of the "guiding principles" program was presented by C. Elmer White, vice-president. S. R. Aitken of the Stock Company Association presented a review of HOLC procedure and C. W. Carpenter reported as chairman of the accident prevention committee.

The Tuesday morning session also was "executive," with reports of the Business Development committee by S. F. Hammond, Jr., chairman; rural agents' committee by H. J. Thielen, chairman; legislative committee by Elmer White, chairman, and on meetings of the national councillors of far-west territory by G. C. Appleton. There was also discussion of various amendments appearing on the general election ballot, affecting insurance.

COMPANY MEN MEET

Monday afternoon, while the agents were holding their first executive session, the company men held a "Capital-Stock Insurance" session. The program was provided by the Business Development committee of the Special Agents Association of Central-Northern California, with C. M. Rogers, special agent Royal group, presiding. The program was as follows: "Standard Protection" E. M. Northup, Great American-Phoenix group; "Packards Cost More Than Fords," M. E. Pinney, America Fore; "Before and After"—a skit by R. G. Scheller, London & Lancashire; A. H. Bonstin, New York Underwriters; P. B. Schlosser, Phoenix Assurance; "The B. D. O. Committee of the Pacific Board," by R. L. Countryman, chairman, Pacific Coast manager Norwich Union. The meeting closed with a discussion of "Benefits Derived from the B. D. O. Program" by F. S. Dauwalter, director Business Development Office. Mr. Dauwalter expressed pleasure at the progress of the program in this territory.

Monday evening a "stag party" was held for the men, with a dinner and entertainment for the ladies of the convention.

With G. C. Appleton serving as Merchant Ames and Elmer White as Banker Jones, a sales demonstration was staged Tuesday afternoon. R. M. Saylor of Saylor & Hill, Oakland, opened his sales talk with a discussion of "Damage to Property" before launching into discussion of the fire end of the coverage needed by the imaginary firm. In the demonstration, Mr. Saylor laid the foundation for sales talks by other "agents" to follow him in presenting a complete program to Merchant Ames and Banker Jones.

Total registration for the convention exceeded 850.

L. B. Daniels Extends Hand

Speaking at the opening session as president of the California Association of Insurance General Agents, L. B. Daniels, president of Seeley & Co., San Francisco, pointed to the close relationship between local agents and general agents. "Without you," he said, "we cannot exist. These days the problems that beset you are many and varied and in practically every case they are our problems as well. By joint effort the solution in many cases could be expedited. We feel the need from time to time of a medium through which we could have intimate contact with you, a conference with you, wherein mutual problems could be frankly and openly discussed. I, therefore, suggest that each of our associations set up a con-

ference committee for this purpose. If you agree, the California Association of Insurance General Agents will form a 'local agents conference committee' which will be a permanent committee of our association, always ready and anxious to meet with you."

Expressing "grateful appreciation" to President Donald B. Goldsmith for his "stout pitching on the side of fair play and a fair trial for the bureau's safe driver reward plan during the early part of this year," Rollo E. Fay, coast manager of the National Bureau of Casualty & Surety Underwriters, continued: "Time will tell the tale for the safe driver plan either to the satisfaction of those who believe in it or those who rejected it; but you and your administration have told the tale to the satisfaction of your company friends, whether members of the bureau or not, and to the lasting credit of your organization the California Association of Insurance Agents is superior to the boycott and the sit-down strike."

Fighting Under-Dog Battle

"I wish," Mr. Fay said, "I were the bearer of greetings from a much larger bureau membership, including all of the casualty companies which would be welcomed as partners in the somewhat thankless cause in which the bureau companies are fighting an under-dog battle—to keep the privilege of self-regulation of the business from slipping through our fingers. There is yet hope that other strong interests, including your powerful association, will join ranks with the bureau and conference casualty companies for the preservation of the priceless freedom which 'once destroyed can never be supplied.'"

In his first appearance before the California association since his appointment, Commissioner Goodcell paid tribute to the organization and its members.

While the past year has brought its problems, some of which have been solved, while others have not, there are "most encouraging signs for future success," according to the administration report submitted by President Goldsmith at the opening session.

Declaration of Guiding Principles

High spot of the year was securing signatory companies to the "declaration of guiding principles" adopted at the 1937 convention. "This task was no easy one," Mr. Goldsmith said, "for it involved many hours of tedious labor. The nature of the program was such that it could not be prepared in pamphlet form and mailed to company officials for their perusal but had to be presented through personal conference. As a result, almost countless hours were spent in calling upon them, discussing the program in every detail and answering their many questions."

Mr. Goldsmith reported that 86 general agents and managerial type offices are now signatory. This represents 90 percent of all company offices domiciled in California and 80 percent of the fire, casualty and surety companies. Not more than three companies to which it has been presented have failed as yet to become signatory. No declination has been made up to the present time.

"The promiscuous appointment by insurance companies of irresponsible and unqualified agents is one of the blackest spots in this business," Mr. Goldsmith asserted. "Not only does this practice reduce the morale of legitimate agents but more important, has created in the minds of the public a lack of confidence and a distrust of the entire insurance structure."

It is difficult to understand, he said, why some executives persist in placing such unlimited authority in the hands of those who are so unqualified both by

experience and training to accept this responsibility.

Success of enforcement of compliance with the declaration depends upon the members of the association, Mr. Goldsmith said. "If you fail to support it, then it is doomed to failure. Remember, that as a matter of law, you are now independent contractors, not company employees. Therefore, you can contract with insurance companies to become their local representatives or you can terminate that relationship at will. You can patronize those companies which operate on a high ethical standard, and you can decline to represent those that deal otherwise."

Mr. Goldsmith told of the educational program inaugurated during the year in cooperation with the extension division of the University of California. "The purpose of the course is to provide a means by which new blood may enter the production end of the insurance business other than by the 'trial and error method,'" he said.

Mr. Goldsmith asserted that rate cutting is "unbridled, unrestrained and unsuppressed." The very stability of the business is at stake.

Group Buying Notion Grows

The public is asking for bids on its insurance needs, and is receiving no end of offers from insurance producers, he declared. "Associations and organizations representative of the professions, trades and industry are now asking for bids on the insurance of the membership as a group. The public is becoming group conscious as regards insurance and the thought is being impregnated in their minds that premium volume dictates the cost of insurance, the greater the volume the cheaper the rate. One prominent trade organization in a prospectus designed to attract new members to it has this to say: 'Group insurance is based on two fundamentally sound and economic laws: the law of collective bargaining and the never-failing law of average. This makes it possible for you to obtain your insurance protection at the lowest possible cost.'"

The next step, the report said, is "elimination of any agent or brokers" and this has already been taken, pointing out that in recent weeks a statewide association with a membership of 18,000 has contracted with an insurance carrier for the issuance of policies in which premium payments are to be made through local banks. This line was written direct by the company on the asserted demand of the association that the rate be figured on a net cost basis without any acquisition cost to cover the producer's service."

"The demand for such insurance schemes has been created by insurance producers—a small number to be sure—but by agents and brokers nevertheless. The insurers claim that no demand has come from them and thus far we have found very rarely that company men have originated group insurance plans."

Legislation Is Indicated

"It is our opinion that the time has arrived when the business must seek stabilization through some sort of legislation. Such legislation should be originated by the insurance fraternity as a whole—the organized agents, organized brokers and organized companies."

Sounding a warning against the acceptance of reduced commissions, the report said: "Associated closely with the rate problem is the practice of producers accepting reduced commissions. The acceptance of reduced commissions in order to secure reduced rates degrades the producer in the eyes of both assured and company. It starts the tide rolling towards a general reduction in the commission schedule. As a result of the constantly increasing cost of fixed charges for office help, supplies, etc., plus the increasing amount of time that must be spent in servicing business, there is little hope of agents

surviving any further reduction in commission income."

C. Elmer White, newly elected president, has a background of 28 years in insurance. In 1910 he went with Thornton & Parrish, San Francisco, joint managers of London Assurance and Niagara. He rose from office boy to counterman, remaining with the London office following its separation from the Niagara, until 1917.

After service in the war he reentered the business with Fireman's Fund as a map clerk. In 1921 he went on the road in northern California for North British. In 1923 he entered partnership with Harry Schroeter and Lawrence Hotchkiss in the local agency of Clay, Hotchkiss & Schroeter at Oakland. Upon the death of Mr. Hotchkiss, the present firm of Schroeter & White was formed.

He served as president of the Oakland Association of Insurance Agents in 1935 and as president of the East Bay Insurance Exchange in 1937. He has served as a director of the California association since 1935. During the past year he served as vice-president and chairman of the membership committee, keeping the organization well out in front as the largest state association in the country.

Mr. White is the fourth member of the original firm of Clay, Hotchkiss & Schroeter to head the California association. I. H. Clay was one of the organizers of the association, serving as its first president in 1908, and being reelected for three terms. L. S. Hotchkiss was elected president in 1918 and Harry R. Schroeter, present senior partner, was elected president in 1927.

New Vice-president's Career

Harold I. Callis, the new vice-president, has been a director of the organization for the past four years. He served as president of the Santa Barbara Insurance Agents Association for four terms. He is now a member of the insurance committee of the Santa Barbara County Chamber of Commerce, as well as chairman of the insurance committee of the city of Santa Barbara.

Returning from the war, Mr. Callis entered the insurance business in 1920, forming a partnership with Verne B. Archer. This firm of Callis & Archer continued until 1936, when Mr. Archer retired from active business, Mr. Callis continuing as successor.

Credit Man's Talk

Owen S. Dibbern of San Francisco, manager of the western division office

of the National Association of Credit Men, said that a credit manager should take every precaution to protect his principal. He said that in many instances the credit manager has almost become an insurance expert as in many instances he is the man in charge of the insurance. He has become not only an adviser to his credit clientele but likewise an authority by actual experience. The list analysis that was prepared by the National Association of Credit Men gives coverages that are regarded necessary. It makes certain that proper ones are included at customary cost. Often some special hazard needs to be covered.

A number of credit managers recommend to their concerns that their own insurance program be reviewed annually or some other advisable period and that the supervision of the insurance analysis be placed with one competent source despite the fact that the actual placing of insurance may be distributed among many brokers or agents.

At many of the monthly forums of credit managers insurance is frequently discussed. There is a special group for insurance members and, therefore, the two groups get together and compare notes. In some of the surveys made it was shown that in 52 percent of the cases rate reduction was reported following a survey. In 20 percent of the cases there was a decrease in the amount of insurance carried but in 19 percent an increase. Mr. Dibbern said that such agents gave constructive insurance advice. He stated that the credit men and insurance people should work hand in hand, not alone to cover hazards but also to bring about economic stability.

Burt H. Jayne's Address

Burt H. Jayne of the Travelers agency at Palo Alto spoke on "Business Life Insurance." He pointed out some of the fundamentals of business life insurance as it pertains to a partnership. He presented the main problems facing every partnership resulting from the death of a partner and suggested the solution. One of the practical effects of partnership insurance is the strengthening of credit standing. When a business concern goes to a banker he will give a more friendly welcome because of wise use of life insurance. The full text of Mr. Jayne's illuminating address is published in this week's life edition of THE NATIONAL UNDERWRITER.

W. H. Menn, president National Association of Insurance Agents; Eugene Battles, past president California association, and H. H. Kirschner of Kirschner & Co., San Francisco, served as judges in the National Automobile Club contest for agents, conducted at

the Fresno convention in which the agents submitted essays on "How I Use National Automobile Club to Increase My Business." A first prize of \$50 was offered and a second of \$25.

W. H. MENN'S ADDRESS

W. H. Menn, Los Angeles, new president of the National Association of Insurance Agents, gave an impressive recital of the value of the national organization to its members. He referred especially to the work of the educational and publicity committee, rural agents committee, Washington service office, surety committee, work of the fact-finding committee on inland marine writings, the committee handling the local board survey, the determination of the association to bring about a restrictive resident agency law that will preclude salaried employees from being licensed as agents and provide for the right of private contract between the producer and the agent writing the business and servicing it at the location where the risk exists, there being established a floor below which the counter-signing commission shall not go.

Praises "Guiding Principles"

Following his talk on the program of the National association, Mr. Menn told of the interest nationwide in the "guiding principles" adopted last year by the California association. He paid tribute to President Goldsmith, Vice-president Elmer White, National Councillor G. C. Appleton, W. P. Welsh, E. R. Pickett and C. T. Buckman for their tireless efforts in making the "guiding principles" effective, and predicted that adoption of similar "principles" will spread nationwide and "be a Godsend to agents." President Menn warned, however, that in such a program the agents must do their part and that without cooperation and complete adherence to principle on the part of the agents, the program would be of no avail.

He made an eloquent plea that local associations send men of ability, integrity and interest in association welfare to state association meetings and that the state associations in turn send such high type of agents to the National association meetings, so that there might be a full and free exchange of ideas and discussion out of which plans might be evolved and progress made. He pointed to the need for an anti-discriminatory law in California, the agitation for compulsory automobile insurance and automobile finance business as some of the questions which

should be discussed by such groups at their state and national meetings. It should not, he said, be a matter of rushing into such subjects but rather they should be discussed and programmed in proper, methodical manner by representatives of the local and state groups.

H. E. Barnhart's Address

H. E. Barnhart of Buckman-Mitchell of Visalia, Cal., gave a talk on "Direct damage and liability insurance necessary to a business firm." He dealt with transportation coverages, automobile insurance, personal injury and property damage liability, automobile non-ownership liability, hired car coverage.

He took the position that insurance definitely serves as a backstop of credit and with an intelligent programming of sound and comprehensive insurance the credit standing of a firm or any other business will be greatly improved. He said it will be safe to predict that future credit losses will be of much less consequence.

APPRAISALS

E. P. Marshall of Marshall & Stevens at San Francisco, appraisers, in his talk at the Fresno convention said that in considering the relation of value to credit many important points have often been overlooked. Many loan agencies, and banks have spent almost all their time in an effort to examine the income earning potentialities of the security underlying a loan. In too many instances, he said, they have neglected to take proper precautions to protect the buildings and the equipment which were producing the income and thus insure the continuance of the income during the life of a loan. Too much insurance, he said, has been placed on the hit or miss plan by loaning agencies. The result is that the resources of both the lender and the borrower have been placed in jeopardy.

Property Is Under Insured

Mr. Marshall said that his experience as an appraiser has shown that property is more often than not under insured rather than over insured due to unscientific underwriting. He stressed the need of careful, scientific agents who are qualified to cover and protect actual values. Valuation, he said, is the back stop of property damage insurance.

He explained that the insurance appraisal differs from other types. What is known as insurable value is simply the depreciated replacement cost of the items which are enumerated. Insurable value is more often than not a higher

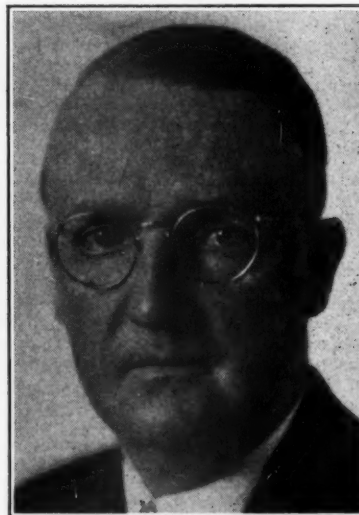
SPEAK AT ANNUAL MEETING OF THE CALIFORNIA AGENTS



WILLIAM H. MENN, Los Angeles
National President



REX B. GOODCELL
State Insurance Commissioner



HAROLD F. MILLS, San Francisco
President Pacific Board



L. B. DANIELS, San Francisco
General Agents Association

value than any other kind of value. The principal reason is that in determining other than insurance value, appraisers allow a greater depreciation.

"Do not write insurance on the basis of book value," Mr. Marshall said. "You are losing premium and the assured will have to dig deep into his pockets if he has a loss. The assured may find himself a coinsurer under the average clause to the discomfiture of both himself and his agent." He said that an insurance appraisal does not arbitrarily establish an inflated valuation either for the purpose of obtaining more premium on the one hand or of securing more for the assured than he deserves after a loss on the other. The insurance contract obligation is to replace the property in like kind and quantity or provide its equivalent in cash. It is exactly this amount which the appraiser undertakes to establish, he asserted.

The speaker stressed the need for use and occupancy insurance. Property damage insurance, he said, should always be scientifically placed with a valuation back stop assuring a quick and satisfactory settlement of a loss.

SEEN IN THE LOBBY

Seen in the lobby at the Fresno convention of California agents were the handsome A. H. Ahlgren, president of the Berkeley association; Walter Akers and "Bill" Glassick of Hollywood. Mr. Akers served as general chairman of the 1937 convention in the "Movie Capital." Ralph Bach, member board of directors, California Agents, chairman of the committee which handled the insurance on the San Diego Exposition; H. I. Callis of Santa Barbara, another member of the board; Laurence Canfield of Santa Cruz and Mrs. Canfield. Mr. Canfield is a former member of the board. J. G. Conway of Huntington Park, member of the prominent firm of Conway-Pinnell; Tom Bromley of Pomona; Neal Harris of Oakland; W. F. Knight, immediate past-president of the Pasadena Agents Association; "Charlie" Malcolm of Long Beach, winner of the membership prize last year; W. H. H. Pilcher of Whittier, president of the associated agents committee, which comprises all agency groups in Los Angeles county other than the Los Angeles Insurance Exchange. "Hub" Scudder of Sebastopol—prominent member of the California legislature for years and equally prominent in local agency circles.

Others Seen in the Lobby

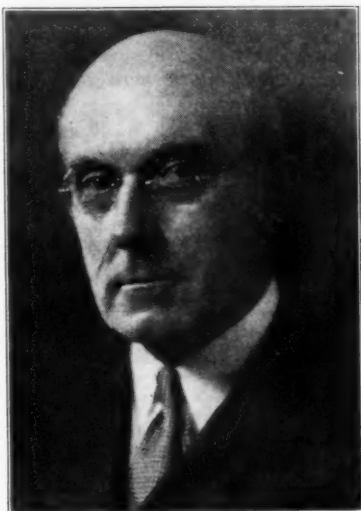
Also Preston Snook, just elected president of the Oakland association; A. Z. Terry, president of the Santa Barbara association; H. J. Thielen, past president of the California association, chairman of the farm committee for many years, member of the rural agents' committee of the National association; C. T. Buckman of Visalia, former president California association—recently active in political circles; Harry Schroeter of Schroeter & White, Oakland, past-president of the association, partner of C. Elmer White. George Watrous, Alaskan traveller—Mr. Watrous, who hails from Sacramento, was recently the guest of one of his companies on a trip to Alaska. W. W. Todd of Van Nuys, famous San Fernando valley agent; William P. Welsh, fiery and aggressive leader, former president of the association, installing officer at the banquet; Dee Willcuts and his attractive wife of Los Angeles attended all sessions (including executive); F. W. Bartlett of Watsonville—"Pajaro leader"; Clarence Price of Chico, former member of the board.

Commissioner Rex B. Goodcell and the charming Mrs. Goodcell received a hearty welcome and were accepted as "one of the gang."

Ward H. Coble, president of the Oregon Insurance Agents Association, accompanied by Mrs. Coble, an interested listener at every session.

Frank L. Adams served as general chairman of the local committee in

Agent Honored



WILLIAM G. McCUNE

GRAND RAPIDS, MICH.—A complimentary banquet was tendered in this city to W. G. McCune, owner of the McCune & Co. agency of Petoskey in honor of the 50th anniversary of the establishment of the agency by his father, W. J. McCune, in 1888. Mr. McCune has one of the largest agencies in his section of the state. He is prominent in the Michigan Association of Insurance Agents, served on some of its important committees and is a former president. After the establishment of the agency, C. L. Smith was taken into partnership and the firm name was changed to W. J. McCune & Co. A few years later it became McCune & Smith. William G. McCune became a partner in December, 1906, the three partners then being his father, H. L. Courson and himself. In December, 1920, the agency took its present name with W. G. McCune as sole owner. Mr. McCune is highly regarded. This banquet was tendered him by the companies represented in his office.

A large number of field men were present representing companies in the office. J. P. O'Brien of the Home acted as toastmaster. Those who spoke were George H. Bell, western manager National Fire; G. D. Gregory, secretary Great American; W. H. Riker, manager North America; C. E. Parks, farm superintendent National Fire; R. E. Vernon, manager fire prevention department Western Actuarial Bureau; Superintendent McClure, Ocean Accident.

Mr. McCune was presented a handsome radio set.

charge of arrangements, assisted by Edwin M. Einsteln, finance; Nye B. Swett, hotel; Mrs. G. C. Appleton, ladies; G. C. Appleton, publicity; L. R. Jeffords, reception; Leon Levey, registration; Carroll Maas, stag party, and Robert Bourns, transportation.

An "early bird" breakfast was held Tuesday morning at 8 o'clock with Neal Harris of Oakland presiding.

C. T. Manwaring of Manwaring-Calendar, Los Angeles, was a welcome attendant to the convention after many years' absence.

Edward Bayerle, immediate past-president of the Pasadena association, and an attendant at the Hot Springs midyear meeting, arrived at Fresno bright and early.

Kenneth Belknap of Belknap & Belknap, Los Angeles, arrived Sunday afternoon by automobile with "Doc" Holmes, manager of the Los Angeles Exchange.

First to register was Louis A. Pohle of Stockton.

Bob Battles, son of Eugene Battles, one of the leading lights of the California association for many years, ac-

companied his "dad" to Fresno and was an interested attendant at the sessions.

A. M. Sidman of Los Angeles was accompanied by his attractive wife.

National President W. H. Menn and Mrs. Menn were host and hostess at a cocktail party Tuesday evening prior to the annual past-presidents' formal dinner. This is Mr. Menn's tenth annual convention of the California association.

Two prominent Los Angelenos were Harry Perk, Jr., president of the Los Angeles Insurance Exchange, and Harold W. McGee, vice-president.

Oldest active past-president of the California Association, Mac O. Robbins of Santa Ana was on hand, as usual. Mr. Robbins served as president of the association in 1915-1916. A living president who served before Mr. Robbins is Noah Adair of Oakland, elected in 1912, and no longer active.

August Hartnack of Aaronson-Gale of Los Angeles arrived wearing his usual big smile.

Oakland is inviting the association to hold its 1939 convention in that city.

Much merriment was occasioned at the opening session when it was found L. B. Daniels, president of the California Association of Insurance General Agents, was listed on the program as president of the "California Association of Insurance Agents." However, he gracefully requested "Don" Goldsmith to continue to "carry on" as president until the end of the convention and relieve him of taking over such arduous new duties without warning.

Old-Timers Swap Yarns at Meeting

(CONTINUED FROM PAGE 4)

of Evanston, Ill., was detained at his home on account of the critical illness of Mrs. Lininger. Therefore, he had drawn on W. R. Townley, immediate past president, who occupied the chair.

Fred W. Bowers, second vice-president, arrived in time to deliver one of his stirring, pointed, compact addresses. George K. March welcomed the new class of life members and the response was made by D. J. Harrigan of Chicago, state agent St. Paul Fire & Marine. W. P. Robertson, North America, gave the welcome to the new class of associate members or those that have been members 20 years.

One of the highlights of the entertainment was the dexterous, sleight-of-hand demonstration given by Charles W. Martin of Milwaukee, special agent of the Crum & Forster companies. He has rare talent in this direction and amazed the audience by his cleverness. C. M. Cartwright of THE NATIONAL UNDERWRITER reported for the necrology committee.

Past Presidents Presented

Chairman Townley then called on the past presidents who were present. The oldest one is Holgar deRoode. W. A. Chapman of Evanston, Ill., and John Stafford, Babson Park, Fla., the next oldest, were not present. W. P. Robertson, North America, was fourth and spoke. The other ex-presidents who made a few remarks were Clarke Munn, Cook County Loss Adjustment Bureau; W. B. Calhoun, Milwaukee; A. F. Powrie, western manager Fire Association, and W. B. Flickinger, former assistant manager of the North America. D. O. Stine of Reedsburg, Wis., spoke for the older members.

It was voted each year to have a voluntary offering of \$1 per member to constitute a relief fund which will be administered by the president and the two vice-presidents. Roy L. Nicholson of Milwaukee, Michigan Fire & Marine, the new first vice-president, was called to the front and closed the meeting.

There was a brief meeting of the Fire Underwriters Association of the Northwest, with W. K. Maxwell, resident vice-president Hanover Fire, the president in charge. He stated that an effort

had been made to revive the old organization and get it on its feet in its pristine glory, but the times did not seem propitious. The response to his suggestions, he said, were neither positive nor negative. There seems to be an indifference. He hopes sometime in the future to see the organization again in motion. In the absence of Secretary Carl E. Ingram, Guy A. Richards read the secretary's report. R. M. Buckman, Royal, one of the trustees of the Northwest fund, reported \$5,992.40 on hand.

W. H. Daniels of Los Angeles, now retired, who was a former adjuster and who is 87 years of age, joined the Northwest association in 1891 and he seems to be now the oldest living member following the death of H. F. Atwood, who was the chief executive of the old Rochester German.

Joys & Gooms Dinner

At the Joys & Gooms dinner Monday evening, A. R. Monroe of Indianapolis, former president Newark Fire, presided as czar. New members initiated were D. D. Fitzgerald, Indiana state agent Commercial Union; Assistant Manager J. J. Ferguson, Fireman's Fund; W. J. Sonnen, retired manager Chicago department St. Paul Fire & Marine; A. F. Powrie, western manager Fire Association; W. B. Calhoun, Milwaukee agent; W. T. Benallack, secretary Michigan Fire & Marine; Chester M. Hayden, president Chicago Board. W. P. Robertson, general manager western department North America, who had been elected to membership, was not able to be present to go through the solemn initiatory rites. The initiation was in charge of C. M. Cartwright of THE NATIONAL UNDERWRITER, lord high executioner, assisted by W. E. McCullough of Denver and Alexander Smullan of Chicago, coadjutors. Mr. McCullough gave a history of the Joys & Gooms, Mr. Calhoun sang, Fred E. Spoerer and Mr. Benallack contributed original verses.

H. P. Janisch Blasts the Direct Writers

(CONTINUED FROM PAGE 4)

posed on them by forces without themselves. It became as years went by quite the customary thing for life companies to be established on the mutual, legal reserve basis. However, he said, they have supported the capitalistic system and have refused to be influenced by their cooperative form of organization. They have not sought unfair advantages.

Mr. Janisch objects to certain mutual fire and casualty companies enjoying unfair advantages in taxation, governmental regulations, statutory powers, lack of enforcement of laws and other unfair advantages. The disadvantages under which particularly stock companies and agents have been laboring in this country have been gradually increasing over a period of 10 or 15 years, he said.

In passing, he referred to the regulation of workmen's compensation rates in Massachusetts for regular companies and yet in other sections of the law applying to direct writing mutuals there are certain privileges granted them that others do not have.

Rule Violations Defined

NEW YORK—The arbitration committee of the New York Fire Insurance Exchange has ruled that a breach by any writing office of any of the following shall be considered a violation of the premium payment rule: (1) That loans to brokers shall not directly or indirectly be made by writing offices. (2) That notes for premiums shall not be accepted. (3) That a writing office shall not accommodate brokers by directly or indirectly acting as or procuring an endorser, guarantor or co-maker of a note or other instrument to enable the broker to borrow money.

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Woman Agent Tells of Her Experience

Miss Marianne Looney, who conducts a local agency at 201½ East Grand, Ponca City, Okla., is very much interested in the business. She recently became secretary-treasurer of the Ponca City Local Agents Exchange. In asking Miss Looney to give her impressions of the business and her experience, she says:

"More and more the world is seeing the advance of the so-called 'weaker sex' into business, both as owners and employees. At first a woman's place in a business establishment was one strictly on the basis of a clerk, but later, the management of departments and even of business establishments was given over to women. Insurance was probably one of the last of businesses invaded by women on an ownership basis, but during the last few years, we have seen a number of successful women-owned or women-operated agencies established. Therefore, my position at this time is not particularly unusual.

Was Confronted with Fear

"I entered the insurance business only after a great deal of thought and I must confess—fear. I am a young woman with only a nominal amount of business experience and naturally the thought of shouldering so great a load of responsibility frightened me, particularly so as I knew if I once entered the business, I would have to succeed. Any thought of failure must be put aside. I was employed as office girl and secretary in a local agency in Ponca City and naturally became thoroughly familiar with policy forms, rates and types of coverage. Therefore, when the opportunity presented itself, I was not wholly unprepared and took over the operation of the agency with a firm determination to succeed.

Personal Following Created

"I had lived in Ponca City a great number of years and therefore was very well acquainted and my first job was to sell my entrance into business to the townspeople. I have built my agency a great deal on the personal side—personal solicitation, personal service, personal delivery of loss drafts, and personal collections.

"My agency represents a number of the leading stock fire companies which maintain service offices in the state and whose special agents are available at all times to assist me. If any problems arise with which I am unable to cope, a call will bring a special representative within a few hours who will work out the coverages and assist me in the solicitation.

Reception Has Been Cordial

"My reception in the Ponca City business world has been very pleasant and I have found my competitors to be very cooperative on any matters of mutual interests. I have endeavored to contact each renewal personally and impress them with the thought that I am a permanent insurance institution, fully equipped to render every service possible. I have endeavored to keep the thought of my sex away from my business dealings and have not dwelt on the 'woman' or 'sympathy' angle for business. The reaction among my clients has been very favorable."

A son has been born to Mr. and Mrs. Louis M. Bodenheimer of New Orleans. Mr. Bodenheimer is a member of the firm of J. H. Bodenheimer & Son of that city. The boy has been named Henry Bodenheimer after his great grandfather, who resided at Shreveport and died in January. The father is preparing to have the new Henry Bodenheimer make the fourth generation in the Bodenheimer Insurance Agency in Louisiana, operating in Shreveport and New Orleans.

Book by S. B. Ackerman Has Just Been Revised

The Ronald Press Company, 15 East 26th street, New York City, has issued a revised edition of the well known book, "Insurance, a Practical Guide for Various Forms of Coverage—the Policy Contracts and Protection Afforded Purchasers," by S. B. Ackerman, member of the New York bar, professor of insurance in the school of commerce, accounts and finance, New York University, and insurance consultant. This is a very valuable book, selling at \$4.50, which can be secured from THE NATIONAL UNDERWRITER. It has 612 pages giving information of real value to insurance men. Whether one is in the field selling insurance or at the home office the book will save considerable time in getting information needed in the work. It covers life insurance for business and personal requirements, rental, leasehold, profits, use and occupancy, sprinkler leakage and water damage, explosion, riot and civil commotion aircraft, tornado, earthquake, rain and hail, live stock, marine, inland marine, accident and health, public liability, workmen's compensation, automobile, and various other casualty lines, fidelity and surety bonds. It is a veritable mine of information.

Farmers Mutual Reinsurance Examination Report Given

Assets of Farmers Mutual Reinsurance of Chicago as of Dec. 31, 1937, were \$721,205 and surplus was \$478,832, an Illinois department examination report discloses.

This is one of the insurance enterprises operated by the Illinois Agricultural Association. It is licensed in Illinois and Kentucky. Its operations were changed when the new Illinois fire insurance rate control law became effective. Previously Farmers Mutual wrote only assessable policies. As of Dec. 31, 1937, all fire and windstorm business was converted to an advance premium basis and the company started issuing a guaranteed non-assessable fire and windstorm or combination fire and windstorm policy with right of participation. Fire coverage is written at board rates and windstorm at rates based on the company's experience.

Details of Term Business

Three year term farm business is written at twice the annual rate, Farmers Mutual collecting the premium in cash or one-half cash and the balance represented by an interest bearing note payable in one year. Five year business is written at three times the annual premium, in cash, or one year basic cash payment and the balance represented by an interest bearing note due within one year. The assured may elect to pay on an installment basis, with the rate increased 20 percent and one fifth of the premium being payable each year, the balance being non-interest bearing. Farmers Mutual writes hail on growing crops with a 2 percent rate on the ordinary farm crop.

Farmers Mutual net retention on fire and windstorm is \$3,500. The excess up to \$14,000 is reinsured by an authorized carrier. The excess above \$14,000 on fire lines is reinsured with local mutuals in Illinois and windstorm in excess of \$14,000 is reinsured with Farmers Mutual Hail of Des Moines. It has a catastrophe windstorm cover as well. It reinsures 75 percent of its hail business.

Previous to Jan. 1, 1938, Farmers Mutual compensated agents on a policy fee basis. Now agents are paid an average 10 percent commission.

During 1937 net premiums amounted to \$607,393, net losses \$193,424, adjusting expense \$5,397, underwriting expense \$191,551.

The Nashville, Tenn., Association of Insurance Women held a bridge tea at the Woman's Club of Nashville, with an attendance of 86.

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